

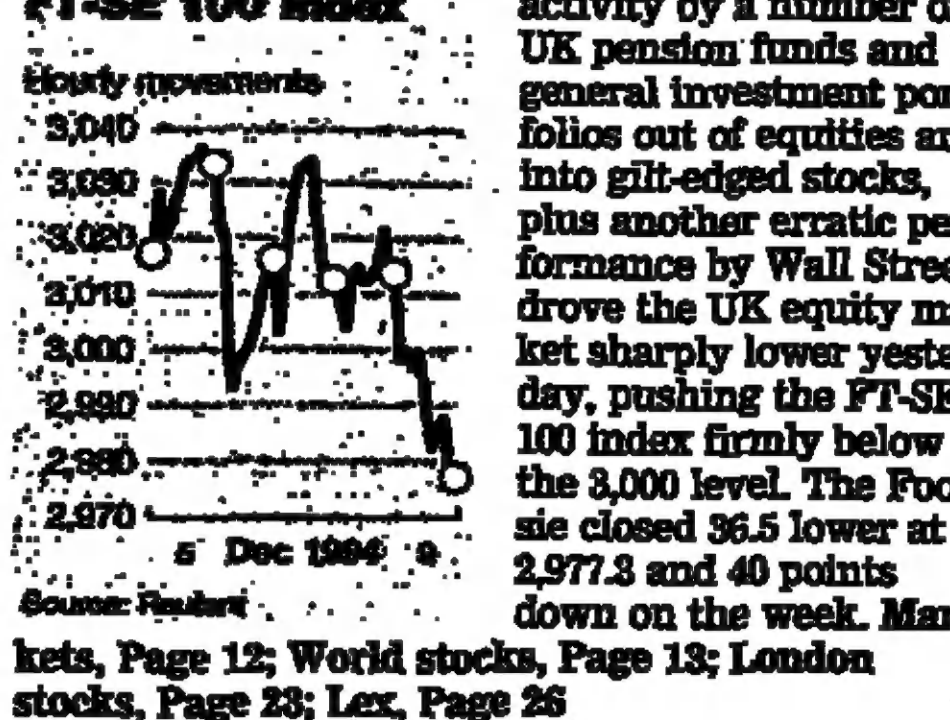
FINANCIAL TIMES

Rescue mounted for two ailing Japanese banks

The Bank of Japan moved to save two ailing credit unions in the first publicly backed bank rescue since before the second world war. A new bank is to be set up to absorb the assets and liabilities of the Tokyo Kyowa and Anzen credit unions, which are on the brink of bankruptcy. The two institutions have total non-performing loans of about ¥100bn (\$1.04bn) accumulated mainly through lending to EIE International, a troubled property group.

Orange County acts against banks Orange County, the beleaguered southern California district facing \$1.5bn of investment losses, started legal action against several Wall Street investment banks. Page 3; Editorial Comment, Page 5; Lex, Page 28

Footsie driven below 3,000 level



RJB Mining signs pits deals Coal company RJB Mining confirmed critics of its controversial bid for British Coal's English regions by signing a purchase deal with the government and raising the \$294m (\$1.47bn) needed to finance it. Page 26; Project Hawk takes flight, Page 10

Thailand coalition near collapse: Thailand's coalition government was near collapse after a split over local administration prompted the departure of its second largest member, the New Aspiration party. Page 4

Japan's recovery gathers pace: Japan's economic recovery is gradually gathering impetus, the Bank of Japan's quarterly survey shows. Page 4

Deal likely to combat money laundering: Leaders from the Americas and the Caribbean are expected to agree tougher measures to combat money laundering at their weekend summit in Miami. Page 3; US backs down in battle over bananas, Page 26

Mexico seeks swift Chilean entry: Leaders of the US, Canada and Mexico will announce tomorrow an immediate start to work on bringing Chile into the North American Free Trade Agreement. Page 3

Russia seeks to join WTO: Russia applied to join the new World Trade Organisation a day after the formal decision to launch the WTO next month. Page 8

Go-ahead for European gas pipeline: A \$440m (\$722m) pipeline to link Britain with the European natural gas grid will allow large-scale gas exports from the UK by the end of the decade. Page 7

Lucas raises \$25m for US purchases: Automotive and aerospace components group Lucas Industries of the UK raised \$25m (\$91.5m) through the placing with institutions of 25m new shares at 18p following the completion in the US of its acquisition for \$87m of Lake Center Industries. Page 11

GEC 6% ahead: British defence and electronics company GEC reported a 6 per cent increase in profit to \$378m (\$520m) on turnover up by 10 per cent to \$4.8bn for the six months to September 30. The interim dividend was increased to 2.5p from 2.8p. Page 10; Lex, Page 20

Truck sales up 50%: Recovery in the UK truck market is proving stronger than expected with demand running at an annual rate 50 per cent higher than at the end of last year, according to industry estimates. Page 7

Taylor Woodrow quits tunnel link bid: UK property and construction company Taylor Woodrow pulled out of Union Link, one of the four consortia bidding to build the \$2.9bn (\$4.75bn) Channel tunnel rail link with London. Page 6

Companies in this issue

BBB Design	10	King & Shearson	10
Booth Industries	10	Labatt, John	11
Brent Walker	11	McCafferty & Stone	11
British Coal	11	Mercury Asset Mgmt	11
Chesnut	10	Microtec	10
Chesterton	10	Moya	10
Cott	11	Morgan Stanley	11
Credito Italiano	11	News Corporation	11
Credito Romagnolo	11	Norand	10
Daf	7	Portals	10
Deutsche Telekom	1	RJB Mining	28
Estates & Agency	10	Research Machines	10
Fluor Trading	10	Rolle & Nolan	10
Ferranti	11	SG Warburg	11
Fulcrum Smith	11	Siemens	10
GEC	28	Shogakukan	10
Groupe Bull	11	Sven (John)	10
Gulf Group	6	TR Technology	10
Hopewell Holdings	11	Taylor Woodrow	10
Jaguar	7	Telecom Italia	2
Kalco	10	Turkey Trust	10

For customer service and other general enquiries call: Frankfurt (69) 15685150

Historic Stormont meeting ■ IRA weapons threaten peace process
Ulster talks face arms hurdle

By John Murray Brown at Stormont

The decommissioning of the IRA's huge stockpile of weapons emerged yesterday as the crucial issue in the search for peace in Northern Ireland. At historic exploratory talks between the UK government and Sinn Féin, the political wing of the IRA, sharp differences emerged between officials over the timing of the disposal of arms and explosives.

to Sinn Féin being allowed to enter all-party talks on the future of Ulster.

Mr Michael Ancram, the Northern Ireland political affairs minister, said after a briefing by Mr Quentin Thomas, head of the UK's five-man delegation, that "their continued retention will constitute a barrier to other political parties, as well as to the government itself, in joining with Sinn Féin in substantive political negotiations".

Sinn Féin comes in from the cold

should not place preconditions on the talks process. "History will judge the British badly if they make excuses for not moving the peace process forward," he said. The exploratory meeting at the former Northern Ireland parliament building at Stormont Castle in Belfast, came exactly 100 days after the announcement of the IRA ceasefire.

constitutional framework for the province.

Mr John Major, who received a report on the meeting while attending the European Union summit in Essen, told other EU leaders that contacts with the republicans were designed to turn a "ceasefire into a lasting peace".

the five-strong Sinn Féin delegation, said it "was a good beginning but it should have happened a long time ago". The two sides agreed to meet again on December 19.

Meanwhile, the Ulster Democratic party, one of the Protestant loyalist groups invited to talks next week with UK officials, warned it was reconsidering the invitation because of the presence at the Stormont meeting of a councillor from the Irish Republic.

EU leaders in move on jobs and competitiveness

By Lionel Barber in Essen

European Union leaders reached a broad consensus yesterday on measures to strengthen competitiveness and job creation at a summit overshadowed by the failure to stop the war in Bosnia.

UK prime minister John Major

yesterday told Conservative MPs to "stop squabbling", reflecting his cabinet's concern that divisions over Europe could destroy hopes of a Tory political recovery. He said Tory MPs had been elected to support the government and the electorate did not expect "the governing party to squabble".

annual report on member states' progress in tackling unemployment in Europe, which stands at around 12m.

The mood of harmony grew as leaders backed an Ecu300m (\$370m) aid package for Northern Ireland to encourage the peace process. Chancellor Kohl also sought a meeting with Mr Felipe Gonzalez, Spain's prime minister, to defuse Spanish threats to block the entry of Austria, Sweden and Finland into the Union next year unless it improves its fishing rights.



Seeking "to move the European Union forward": Helmut Kohl (rear) arrives for the Essen summit with François Mitterrand

With the host, Chancellor Helmut Kohl of Germany, nudging colleagues toward areas of co-operation, the summit laid behind proposals for a new advisory board on European competitiveness, likely to be headed by a European business leader.

leaders, several of whom are beset by health or political problems. They include President François Mitterrand of France, Mr Silvio Berlusconi of Italy, Mr John Major of the UK and Mr Albert Reynolds of Ireland, who is leaving office.

The idea for an advisory council on competitiveness was put forward by Mr Jacques Delors, outgoing president of the European Commission. Mr Delors cut a serene figure at this 28th European Council summit, despite a flurry of speculation that he will disclose tomorrow night whether he will enter the race for the French presidency.

Senior diplomats said the "steady as she goes" mood suited

Mr Major warmly praised Mr Delors and supported the Commission's suggestion of an

Summit reports, Page 2

Setback for Deutsche Telekom as chief quits two years early

By Michael Lindemann in Bonn

Mr Helmut Rieke, chief executive of Deutsche Telekom, said yesterday he was stepping down early, dealing a severe blow to the company's hopes of making a smooth transition from state-owned monopoly to leading private telecoms operator by 1996.

become a joint stock company on January 1, will then be partially privatised through a DM15bn (\$3.5bn) sale of shares early in 1996.

Just two weeks ago the company unveiled an international consortium - including some of the world's leading investment banks - to manage the placement of shares, one of the largest issues ever undertaken.

that his contract had been renewed earlier this year and he would stay until the end of 1996 to complete the job he began five years ago.

However, a series of setbacks recently is believed to have disheartened the 58-year-old chief executive.

Deutsche Telekom said Mr Rieke was leaving next month, two years early, for "personal reasons" and declined to give further details. Mr Wilhelm Pahlman, a board member, will take over temporarily but the company said it had begun the search for a new chief executive.

Mr Rieke's departure will leave Deutsche Telekom without its top executive at arguably the most important moment in its history. The company, due to

It is also still unclear if Brussels will approve the strategic alliance between Deutsche Telekom and France Telecom, the

STOCK MARKET INDICES

FT-SE 100	2,977.3	(-30.5)	US LUNCHTIME RATES		STERLING		DOLLAR	
Yield	4.93		Federal Funds	5 1/2%	New York lunchtime		New York lunchtime	
FT-SE Euroshare 100	1,221.5	(-12.25)	3-m Treas Bill Yld	5.6%	\$ 1.5815		DM 1.57705	
FT-SE-A All-Share	1,478.26	(-1.1%)	Long Bond	9.5%	London:		FF 5.4175	
Nikkei	15,878.30	(-201.74)	Yield	7.869%	\$ 1.5897 (1.584)		Sfr 1.336	
New York lunchtime					DM 2.4601 (2.4574)		Y 100.20	
Dow Jones Ind Ave	3,675.30	(-10.43)			FF 6.4397 (6.4737)		DM 1.5779 (1.5777)	
S & P Composite	445.18	(-0.27)			Sfr 2.0848 (2.0805)		FF 5.4115 (5.4181)	
					Y 158.222 (157.122)		Sfr 1.3396 (1.3393)	
					\$ Index 80.3 (80.5)		Y 100.165 (100.485)	
							\$ Index 83.4 (83.6)	
							Y 100.165 (100.485)	

CONTENTS

News	Rebels in the West	Gold Markets	World Commodities
International News	Companies	Equity Options	Wall Street
UK News	UK	London SE	Shares
Weather	Int. Companies	US Debt	Weekend FT
Lex	Markets	Managed Funds	Section 1
Features	FT-SE Analysis	Money Markets	
Leader Page	FT World Analysis	Recent Issues	
Letters	Foreign Exchange	Share Information	

The One to Watch

* Average annual return for the last two years to 1.12.94

To find out more, call us free from any of the countries listed. If you live elsewhere, please use the UK number.

Bahrain 800 574 Belgium 078 11 75 66
France 05 90 8213 Germany 0130 81 92 06
Netherlands 060 22 64 43 Norway 050 11063
Spain 900 96 44 76 Hong Kong 848 1000
UK (for other countries) 44 732 361 144

Fidelity Investments

The world's largest independent fund specialist.

NEWS: EUROPE

ESSEN SUMMIT ■ Nervousness on Bosnia ■ Consensus on competitiveness ■ More cash for communications

Britain and France firm on Bosnia

By Lionel Barber in Essen

Britain and France, the two powers with the largest number of forces in Bosnia, sought to reassure their EU partners yesterday that they did not intend to "cut and run" from the war-ravaged region despite mounting pressure to do so.

Although Mr. Douglas Hurd, UK foreign secretary, warned colleagues at the EU summit in Essen that the 23,000-strong UN peacekeeping force could be forced to withdraw in "a matter of weeks" unless the Bosnian Serbs accept the UN-EU peace plan, the tone of contacts yesterday suggested that there was still a strong consensus that a diplomatic solution be found in Bosnia.

Both Mr. Hurd and his French counterpart, Mr. Alain Juppé, gave assurances to Belgium, the Netherlands, Spain and other EU partners who have dispatched troops to Bosnia.

Fears of a collapse of the UN peacekeeping effort rose this week after renewed Bosnian Serb aggression and US confirmation that it was willing to supply more than 30,000 troops to assist in a forced withdrawal. The US offer matched NATO contingency planning, but it could also spur calls for a lifting of the UN arms embargo against the Bosnian Muslim government.

French officials warned yesterday that a "hot and cold" strategy could trigger a wider war in the Balkans, involving Russia supporting the Serbs.

Chancellor Helmut Kohl of Germany, the summit host, was said to be determined to maintain a consensus within the EU in favour of a diplomatic solution.

This approach was confirmed, albeit with difficulty, at a meeting a week ago of the so-called contact group on Bosnia comprising France, Germany, Russia, the UK and the US.

Mr. Hurd is pinning his hopes on a three-point plan which relies heavily on President Slobodan Milosevic, the erstwhile aggressor, putting pressure on his former Bosnian Serb allies to accept a settlement. The plan involves:

● An early ceasefire, particularly in the besieged Muslim enclave of Bihać.

● Acceptance by the Bosnian Serb assembly in Pale that the Serbs occupy 51 per cent of Bosnia and the Muslims 49.

● Further land swaps between the Serbs and Muslims, perhaps trading Serbian gains in eastern Bosnia with a consolidation of Muslim territory around Sarajevo.

The aim would be to create a confederation between the Bosnian Serbs and the Serbian government in Belgrade which would have a "parallel special relationship" with the confederation already established between the Bosnia Muslims and the Croats.

France and the UK are hoping President Milosevic will simply bypass his former ally, Mr. Radovan Karadzic, and win over the majority in Pale. Mr. Hurd has been in regular contact with Mr. Milosevic in the past few days, according to British officials.

Both countries were last night pressing European partners not to issue a strong summit statement attacking Serbian aggression for fear of destabilising Mr. Milosevic.



Helping hands from Germany's Chancellor Kohl, left, and his foreign minister Klaus Kinkel, right, as they guide the Greek prime minister, Andreas Papandreu, towards the entrance of the Essen Fair and Congress centre yesterday

Major presses for drive against fraud

By Philip Stephens in Essen

Mr. John Major yesterday pressed his partners to agree a new drive against fraud, arguing that mismanagement, waste and criminal activities were undermining popular faith in the European Union.

Speaking in the wake of the recent political rows in Britain about the level of fraud, the UK prime minister called for an increased role for the Brussels Commission in scrutinising expenditure.

In a presentation to the summit which drew approval from a number of other EU governments, including the Netherlands, Luxembourg and the new Nordic entrants, Mr. Major called for the summit to give political impetus also to a draft regulation to protect the Union's financial interests. The council of ministers meanwhile should conclude rapidly a legally binding instrument against criminal fraud.

Mr. Jacques Santer, the incoming president of the European Commission, is expected to make tight financial management a priority when he takes over from Mr. Jacques Delors in January. The precise extent of fraud is an unknown proportion of the annual ECU50bn (£51bn) budget but the bulk is concentrated in the common agricultural policy.

Calling for the summit to endorse further work by finance ministers to reduce both waste and fraud, Mr. Major said that member states should be required to report individually to the finance council on the action they were taking to protect EU funds.

In proposals likely to be endorsed in the summit's final communiqué, he called also for more vigorous use of its powers by the Court of Auditors and more intense scrutiny of financial arrangements by the European Parliament.

Mr. Major's hopes of a concerted drive to reduce the level of fraud have been strengthened by signs that France intends also to make it a central issue during its presidency of the EU.

The Paris government, which takes over the presidency next month, intends to ask the commission to draw up an inventory of all branches of existing EU laws and to attach to all future draft EU legislation clauses specifying the sanctions to be used for breaking it.

The intention is to ensure the even and proper enforcement of EU laws.

Mr. Alain Lamassoure, French EU affairs minister, said that investigations into the same fraud covering several states had shown that some countries were very strict while others showed complacency towards fraudsters.

Companies operating in stricter states were placed at a competitive disadvantage.

Despite his broad welcome for the French initiative, however, Mr. Major is likely to be cautious about the possibility that the union-wide action proposed by Mr. Lamassoure might reduce national powers to decide punishments.

The Bonn government and the country's three large electricity utilities - RWE, Veba and Bayernwerk - are determined to retain nuclear power, which accounts for about 30 per cent of the country's electricity, as a key element in the national energy production plan.

However, the Hesse government, which is run by a coalition between the Social Democrat party (SPD) and the environmentalist Greens, is just the noisiest of several SPD-controlled Länder which have been calling for an end to nuclear power in Germany.

As the SPD now controls the Bundestag, its upper chamber of the federal parliament which must approve any outcome from the energy talks, the forthcoming round may be more difficult than usual.

The Hesse decision has no direct implications for the battle over Gorleben, the controversial nuclear waste disposal site in Lower Saxony, but it is likely to throw the nuclear lobby further on to the defensive.

The decision to close Hanau was taken recently, a spokesman said, but was part of a wider restructuring programme begun earlier this year in an effort to return the fuel assembly business of Siemens' power engineering division, KWU, to profit. KWU is suffering big losses because of growing competition and falling prices.

The Hanau site had the capacity to process up to 1,200 tonnes of enriched uranium fuel rods into pellets for re-use in fuel rods. However, pellet production was suspended last summer and since then the plant merely assembled pellets produced in the US.

Siemens said Hanau would be formally closed by September 30 1995, with the loss of about 250 jobs.

KWU supplies fuel to 49 nuclear power plants around the world.

A spokesman said the other reprocessing plant, at Lingby in Lower Saxony, was working at capacity and that other work would be transferred to a third plant at Richland, Washington.

Yesterday's decision will not affect another plant at Hanau which will reprocess plutonium into mixed-oxide fuel elements, but which the Hesse government is also seeking to block.

"Work will be continued with the approval of the German utilities," Siemens said.

Siemens forced to close key uranium plant

By Michael Lindemann in Bonn

Siemens, the German electronics, power and engineering group, said yesterday it was "being forced to close its important uranium processing plant at Hanau, near Frankfurt, as licensing standards required by the left-wing state government of Hesse had made it unprofitable."

Hanau is one of three plants worldwide where Siemens processes uranium. The work would be transferred to other sites within the company or awarded to outside contractors, the company said.

"We want to remain one of the world's leaders in fuel assembly," Siemens said. "We just want to put the business on a profitable footing."

The closure is a blow for the German nuclear lobby and comes just ahead of difficult talks to decide on how Germany's power generation mix is structured between nuclear, coal and other sources. The talks were broken off in October 1993 without a decision on the future of nuclear power in Germany.

The Bonn government and the country's three large electricity utilities - RWE, Veba and Bayernwerk - are determined to retain nuclear power, which accounts for about 30 per cent of the country's electricity, as a key element in the national energy production plan.

However, the Hesse government, which is run by a coalition between the Social Democrat party (SPD) and the environmentalist Greens, is just the noisiest of several SPD-controlled Länder which have been calling for an end to nuclear power in Germany.

As the SPD now controls the Bundestag, its upper chamber of the federal parliament which must approve any outcome from the energy talks, the forthcoming round may be more difficult than usual.

The Hesse decision has no direct implications for the battle over Gorleben, the controversial nuclear waste disposal site in Lower Saxony, but it is likely to throw the nuclear lobby further on to the defensive.

The decision to close Hanau was taken recently, a spokesman said, but was part of a wider restructuring programme begun earlier this year in an effort to return the fuel assembly business of Siemens' power engineering division, KWU, to profit. KWU is suffering big losses because of growing competition and falling prices.

The Hanau site had the capacity to process up to 1,200 tonnes of enriched uranium fuel rods into pellets for re-use in fuel rods. However, pellet production was suspended last summer and since then the plant merely assembled pellets produced in the US.

Siemens said Hanau would be formally closed by September 30 1995, with the loss of about 250 jobs.

KWU supplies fuel to 49 nuclear power plants around the world.

A spokesman said the other reprocessing plant, at Lingby in Lower Saxony, was working at capacity and that other work would be transferred to a third plant at Richland, Washington.

Yesterday's decision will not affect another plant at Hanau which will reprocess plutonium into mixed-oxide fuel elements, but which the Hesse government is also seeking to block.

"Work will be continued with the approval of the German utilities," Siemens said.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60119 Frankfurt am Main 5, Germany. Telephone: +49 69 156 200. Fax: +49 69 294461. Telex: 416193. Registered in Frankfurt by Walter Brand, Wilhelm J. Bruns, Colin A. Keenan as Geschäftsführer and in London by David C.M. Bell and Alan C. Miller. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosenthal-Straße 34, 63263 Neu-Isenburg (owned by Hefelberg International). ISSN: ISSN 0174-7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9EL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE: Publishing Director: D. Good, 168 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone (01) 4297-0621. Fax (01) 4297-0623. Price: S.F. 4.00. Editeur: 15/21 Rue de Caen, F-93100 Rosny-sous-Bois. Editeur: Richard Lambert, ISSN: ISSN 1120-3773. Commission Paritaire No 67882D.

DENMARK: Financial Times (Scandinavia) Ltd, Vimmelskejsvej 42A, DK-1161 Copenhagen K, Telephone 33 13 44 41. Fax 33 35 35 35.

Delors' competition plan finds favour - even with UK

By Christopher Parkes in Essen

Industrialists' ambitions to yield greater influence over European Union policies and legislation which affect their fortunes were given a substantial political boost at the opening session of the summit yesterday.

A proposal to establish an international council of expert advisers on competitiveness, tabled by Mr. Jacques Delors, outgoing Commission president, was given an unexpectedly warm welcome by EU leaders.

Although Mr. Theo Waigel, the German finance minister, appeared uneasy about allow-

ing too intimate a link between ministers and commerce, Mr. Delors' suggestion of a six-person "advisory council" was generally accepted as an important element in an emerging policy to address the European economy's structural difficulties.

A similarly enthusiastic endorsement was awarded to Monday's agreement among finance and economic ministers on guidelines for improving conditions in the labour market.

According to a senior Commission official, the European leaders were demonstrating increasing sensitivity to the argument that a cyclical economic recovery would not generate enough jobs to have a significant impact on the European Union's jobless total of 17m. "I was really quite surprised to see how consensual it all was," he said.

Mr. John Major, the British prime minister, for once enthusiastic about a suggestion from the Commission president, urged that the summit should agree on the spot to set up its "advisory board on European competitiveness". In return, Commission officials said, Mr. Delors offered some flattering remarks on progress made in Britain on stimulating employment.

German officials, however, said the proposed "council for global competitiveness" had first to be discussed in the council of ministers.

Mr. Delors' outline idea is that a group of six people, comprising experienced business leaders with international experience and possibly an eminent economics expert, should be appointed to advise EU ministers on ways of competing effectively with newly industrialised countries.

Although UK officials claimed the notion was spawned at talks between Mr. Major and Chancellor Helmut Kohl of Germany this spring, it bears a striking resemblance to a series of proposals from Unice, the European employers' association, and the European Round Table, a group representing 40 multinationals based in the EU.

Unice's appeal last month called for a 12-member advisory group of industrialists, labour representatives and academics which would "act as a watchdog by subjecting policy proposals and new regulations to the test of international competitiveness".

Any suggestion that an outside group be allowed such influence over the formulation of legislation is certain to arouse resistance, not least in Germany. Britain, meanwhile, appeared eager yesterday to establish a team which would be invited to scrutinise draft legislation and offer advice on the basis of its potential impact on business.

However, the lack of any fundamental disagreement among the governments of the Twelve that European competitiveness is failing, suggests that some sort of international benchmarking group will be established.

Benchmarking is a technique in which a manufacturer or service provider examines globally available products, identifies the best according to a wide range of cost and performance criteria, and adapts its own methods to compete.

Britain also claimed the lion's share of the credit for this week's package of labour market measures approved by economics and finance ministers on Monday.

The ideas, including increased wage flexibility, more mobile labour forces, more training, lower indirect labour costs, and restructured social benefit systems, and special measures for the long-term jobless all stemmed from the UK, London officials claimed.

One reason for the popularity of such notions is that they impose far lower burdens on tight national budgets than traditional work creation schemes. They are becoming particularly popular in Germany, where the government is under intense pressure from the Bundesbank to rein in spending.

The ideas, including increased wage flexibility, more mobile labour forces, more training, lower indirect labour costs, and restructured social benefit systems, and special measures for the long-term jobless all stemmed from the UK, London officials claimed.

One reason for the popularity of such notions is that they impose far lower burdens on tight national budgets than traditional work creation schemes. They are becoming particularly popular in Germany, where the government is under intense pressure from the Bundesbank to rein in spending.

The ideas, including increased wage flexibility, more mobile labour forces, more training, lower indirect labour costs, and restructured social benefit systems, and special measures for the long-term jobless all stemmed from the UK, London officials claimed.

**YOUNG OR OLD
THE PAIN'S
THE SAME**

RHEUMATIC DISEASE WILL AFFECT MOST OF US DURING OUR LIFETIME.

There are more than 200 different arthritic and rheumatic diseases severely affecting between 7 and 8 million people in this country today.

The Arthritis and Rheumatism Council is the only major UK charity financing medical research into all aspects of arthritis and rheumatism at most teaching hospitals and universities in the UK.

There is real hope that arthritis and rheumatism can be beaten. To make sure that your children and grandchildren have a fair chance of a future free from these disabling diseases, join us in the battle to find the cure today.

ARTHRITIS RESEARCH
A Registered Charity, No. 1049174 The Arthritis and Rheumatism Council

FIGHTING THE CAUSE - SEEKING THE CURE

Please send me:
Your Information Pack ☐ Legacy/How to make a Will Pack ☐
I enclose: ☐ £1 ☐ £47 ☐ £19 my gift of £

Name: _____
Address: _____
Postcode: _____

To: The Arthritis & Rheumatism Council, FREEPOST, Chesterfield, Derbyshire S41 7BR.

Move to end transport funding dispute

By Emma Tucker in Essen

The European Commission yesterday moved to end a dispute with European Union ministers over funding for multi-billion dollar road and rail links in an effort to sharpen EU competitiveness.

Under pressure from France, which is keen to press ahead with a fast rail link to Belgium and Germany, the Commission said it would be willing to draw down a further ECU1.2bn (£932m) of EU budget reserves to supplement the ECU1.5bn already allocated to the 14 infrastructure projects under the Union's high profile Trans European Networks programme.

Mr. Henning Christophersen, the commissioner responsible for economic and monetary affairs, said there were no objections to the proposal from

member states as it would not increase the overall EU budget. "There are many difficulties we can expect as far as financing these projects is concerned," said Mr. Christophersen, after talking to EU heads of state at the European summit in Essen. "One difficulty will be a lack of equity."

The decision to draw on extra funds may go some way to easing tensions between Mr. Jacques Delors, the Commission president, and economics and finance ministers of the member states. Mr. Delors has persistently argued that without extra public funding, many of the projects will not get off the ground.

His will, however, has been frustrated by the more cautious economics ministers who believe sufficient resources already exist - from existing EU funds, national exchequers,

loans from the European Investment Bank and the private sector. They were worried that excessive EU borrowing would create inflationary pressures and unsettle financial markets.

"Mr. Delors believes that for infrastructure projects, free enterprise is not always enough," said a Commission official.

To secure the extra resources for the ECU1.5bn projects, the Commission must be asked formally to put forward a proposal to the council of ministers. "Some member states have asked if we can have additional resources. My answer is Yes if the European council asks us to do so," said Mr. Christophersen.

A working group headed by Mr. Christophersen has identified 14 priority projects. These include high-speed rail links

from Paris to Strasbourg and Munich to Berlin; a rail-road tunnel through the Brenner pass in Italy; motorway routes between Lisbon in Portugal and Valladolid in Spain; the Channel tunnel link and development of Milan's Malpensa airport.

After talks on the Trans European Networks programme, European heads of state backed a report drawn up by experts from across the Union. This report also proposes adoption of 10 international energy network projects plus pan-European air traffic control measures.

So far, financing is only in place for three of the 14 priority projects. These are the airport at Milan, the Cork-Dublin-Belfast-Stranraer rail link and a fixed road and rail link between Denmark and Sweden. The Commission has mean-

while received requests for funding of more than ECU2bn for three other of the listed projects, including a high-speed train linking Paris, Brussels, Cologne, Amsterdam and London. Reluctant to encourage further EU borrowing, Mr. Christophersen has argued that member states should find more imaginative and more efficient financial arrangements.

Financing is not always the principal reason for delay in the other areas. Administrative problems and different regulatory programmes between member states have also acted as a hindrance. Mr. Christophersen's report says governments must work to change regulations that hinder development and to ensure co-ordination to avoid basic problems such as different electrical systems.

Italy faces EU telecoms investigation

By Andrew Hill in Milan

The European Commission believes the last Italian government may have discriminated in favour of the state-owned telecommunications company by making competitors pay for the right to operate the country's second digital mobile telephone network.

Mr. Karel Van Miert, the competition commissioner, said yesterday that Brussels was planning to extend its investigation into the liberalisation of Italian mobile telecommunications to cover the award of the mobile phone contract in March.

A Commission spokesman said yesterday that Mr. Van Miert was concerned that Sip, the state telecoms operator which is now part of Telecom Italia, paid nothing for the right to build the country's first, small, digital network. The international consortium Omnitel-Pronto Italia, which is headed by Olivetti, the Italian computer company, paid L750bn (£288m) for the second digital licence.

Yesterday's comments by Mr. Van Miert indicate that Brussels is likely to take a hard line if the government grants any further concessions to Telecom Italia.

Telecom Italia wants the government to relax regulation of the existing national analogue network, over which it has a monopoly. The company wants the freedom to set prices on the analogue network, allowing it to compete directly with Omnitel on all mobile phone services. Telecom Italia is also seeking a reduction in the annual fee it pays the government.

The ministers concerned are to debate Telecom Italia's demands on Thursday. The analogue service is only available to subscribers in Italy, whereas subscribers to the digital network can use

their mobile phones in many other European countries which have adopted the "GSM" standard.

Yesterday, the company broke its silence on the issue, warning that if the government maintained the current tariff system, the long-term investment Telecom Italia had made in the analogue network would be jeopardised. The company also implied that such a decision would have repercussions on the forthcoming privatisation of its state-controlled parent company, Stet.

Yesterday's statement by the Telecom Italia board was a direct reaction to a letter to

ministers this week from Mr. Giuliano Amato, former Italian prime minister and now head of the country's antitrust authority, warning that he might have to intervene if Telecom Italia won concessions on tariffs.

The political sensitivity of the issue is heightened by the fact that in winning the licence Omnitel outbid a consortium which included Fiat and Fininvest, the media business owned by Mr. Silvio Berlusconi, who is now Italy's prime minister. He has deliberately taken no part in the cabinet discussions on the terms of the licence.

هكذا من الامم

Siemens forced to close uranium plant

fraud

UK

pute

tion

150 من الامل

US expected to request 'fast-track' negotiating powers from Congress Nafta aims for swift Chilean entry

By Stephen Fider and George Graham in Miami

Leaders of the US, Canada and Mexico will announce tomorrow an immediate start to work on bringing Chile into the North American Free Trade Agreement.

The announcement will be made at a press conference following the conclusion of the Summit of the Americas in Miami tomorrow, at which the Chile's President Eduardo Frei will also be present.

Five working groups of trade experts from the four nations will be established to examine Chile's readiness to join Nafta. The first meeting of specialists from the three current member states will meet before Christmas to discuss the broad principles to cover Chile's incorporation into the accord.

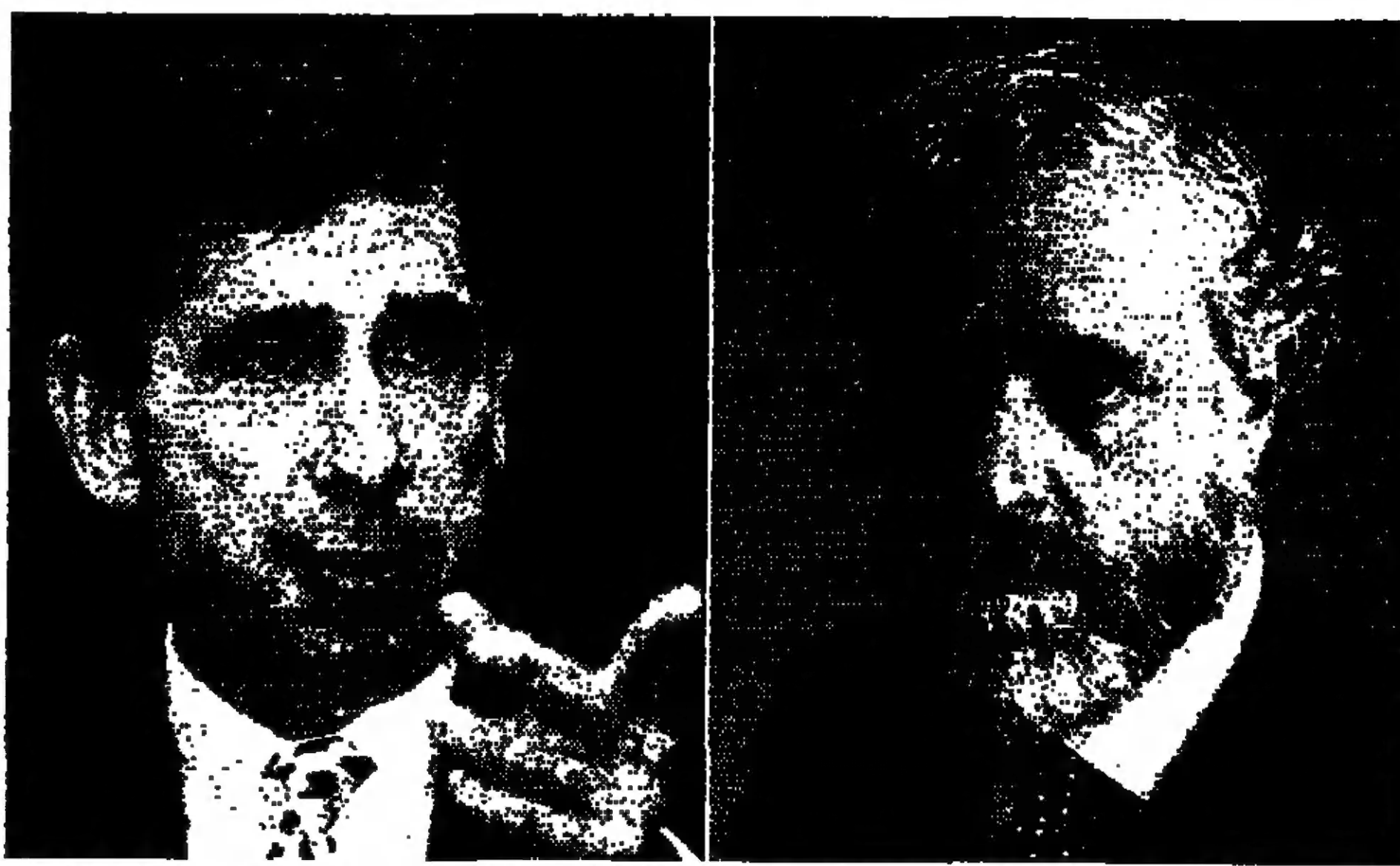
In the next step, the US administration is expected in the spring to introduce a trade bill into Congress that would grant it "fast track" negotiating powers. It is not yet clear whether the administration will request fast track only for Chile, or attempt to secure broader fast track authority.

Fast track avoids line-by-line scrutiny by Congress of trade accords negotiated by the administration, restricting the legislature to a take-it-or-leave-it vote.

The tentative timetable would be for the agreement to be negotiated in time to present it to the US Congress by next October and to be ratified before the year's end. This would avoid the accord becoming embroiled in the 1995 presidential election campaign.

The technical aspects of the negotiation are, for the most part, not expected to be difficult. In many respects - intellectual property protection, for example - Chilean legislation offers higher standards than in some existing Nafta members. Chile has indicated its willingness to sign on to labour and environment "side accords" that accompanied Nafta, though not all the issues negotiated with Mexico - for example those relating to the Mexico-US border - will be relevant.

The working groups - there were 10 in the case of Mexico and a maximum of five for



Mickey Kantor, US trade representative (left) and Chilean finance minister Eduardo Aninat, who are at the Summit of the Americas in Miami this week.

Chile - will cover issues such as market access measures, trade remedies such as subsidies and anti-dumping rules, agriculture and dispute settlement. A broad commitment to leaving the existing Nafta treaty unchanged is expected

to emerge, although some areas may need minor alterations. The plans to expand Nafta and the establishment at the summit of 2005 as the year to complete negotiations on a free trade accord covering all of the

Americas were expected to underpin the success of the summit. The summit will also agree to follow-up meetings by the hemisphere's trade ministers next June and in the following March.

Tougher stance on money laundering

By George Graham in Miami

Leaders from the Americas and the Caribbean are expected to agree on tougher measures to combat money laundering at their summit in Miami this weekend.

Final drafts for a declaration of principles due to be issued by the 34 leaders tomorrow call for a co-ordinated strategy to combat drug trafficking in the hemisphere and to tackle the laundering of money

from other activities, including tax evasion.

"While drug trafficking continues to be a significant source of illegal funds, the money laundering industry increasingly deals with the proceeds of all types of criminal activity. An integrated and balanced approach that includes respect for national sovereignty is essential to confront all aspects of these problems," the draft says.

US officials said the inclusion of

non-drug offences will vastly widen the net of regulations to combat money laundering.

It could also have implications for fair trade, by making it more difficult for companies to obtain an unfair competitive advantage by concealing their revenues from tax inspectors.

The leaders will agree to order a conference of working level officials on money laundering, to be followed up by a ministerial conference which may consider establishing an

inter-convention on money laundering.

The money laundering plank of the draft declaration has been strongly pushed by Colombia, which has often been the butt of other countries' complaints because of its huge cocaine cartels.

But the issue has created friction with some Caribbean countries, as well as the US and Canada, because of fears that new inter-American rules could conflict with national bank secrecy laws.

Orange County starts action against banks

By Richard Waters in New York

Orange County, the beleaguered southern California district facing \$1.5bn (\$238m) of investment losses, formally started legal action yesterday against several Wall Street investment banks.

The move came as a new team took up the task of sorting out the county's finances, which were cast into chaos by the losses and a decision to file for bankruptcy on Tuesday.

Mr Thomas Hayes, a former auditor general of California and a close associate of Mr Pete Wilson, the state's governor, was appointed late on Thursday to lead the restructuring of the county's troubled investment portfolio. The aim is to cut the actual losses borne by the prosperous area's taxpayers.

The county also named Salomon Brothers, one of a small number of US investment banks not to have had dealings with the investment fund, as an adviser.

The decision to take legal action, reached after a meeting of the county's board of supervisors on Thursday evening, will pit the county against several leading Wall Street houses, among them Merrill Lynch, Morgan Stanley, Smith Barney and Prudential Securities.

In the days since the bankruptcy filing, the firms have all sold securities they held as collateral for loans made to the county. The county has argued that the filing put a legal block on the firms selling the securities, a move which was

intended to prevent its investment losses from being realised.

"We are outraged that some broker-dealers have elected to ignore the law and have only contributed to the uncertainty that has confronted us in recent days," said Mr Thomas Riley, chairman of the board of supervisors.

According to the county's lawyer, Mr Bruce Bennett of Stutman Treister & Glatt, the bankruptcy filing put an "automatic stay" on any actions that could impair the authority's finances.

The bankruptcy was precipitated after CS First Boston moved earlier this week to sell the \$2.8bn of securities it held belonging to Orange County. The county is believed to have missed an interest payment due to the bank on advances it had made under so-called "repurchase agreements".

CS First Boston would only say that it had "liquidated the collateral under the terms of the agreements we had", and that the sales had taken place before the bankruptcy filing.

It also emerged yesterday that the Securities and Exchange Commission, which regulates the US investment markets, has moved fast with its own investigation into the county's financial crisis.

Merrill Lynch, which lent the county \$20m and is believed to have sold it many of the investments on which it faces losses, confirmed that it had received a subpoena from the agency for information. Other investment banks are understood to have received similar requests.

Clinton plans welfare meeting

By Nancy Dunne in Washington

President Bill Clinton, racing to get ahead of Congressional Republicans, will convene a closed White House meeting of governors and mayors early next month to develop plans for addressing the nation's "broken welfare system".

Mr Clinton said the current welfare system "is a bad deal for the taxpayers who pay the bills and for the families who are trapped in it".

Welfare reform is considered one issue Republicans and Democrats can tackle together. After meeting Mr Clinton, Governor Howard Dean, a Vermont Democrat who heads the governors' association, said: "There's real potential for some good bipartisan co-operation on welfare reform."

Mr Clinton has been talking about welfare reform since his presidential campaign, but the money has not been found to pay for job retraining and education programmes which the Administration wanted. Higher priority was given to health insurance reform. After 17 months of internal debate, the Administration finally introduced a welfare proposal, but it came too late this year for Congressional action.

House Republicans are expected to propose abolition of over 100 federal social programmes providing cash, food programmes, job training, child care, foster homes and other services. The \$60bn of programme funds would be cut 20 per cent and the remainder handed over to the states to finance their own programmes.

INTERNATIONAL NEWS DIGEST

Chechnya talks due on Monday

Talks between Russian and Chechen officials are scheduled for Monday at Vladikavkaz, near the border of Chechnya, the breakaway Russian republic. The Russian side, led by Mr Vyacheslav Mikhailov, is also to meet representatives of the opposition groups fighting the Chechen rebel regime of General Dzhokhar Dudayev. However, in Moscow, Russian President Boris Yeltsin ordered his government to use "all measures available to the state" to disarm opposing forces in the republic.

In Chechnya, the main opposition group, the Provisional Council, said it would put its forces on a war footing from Monday - a move which seemed designed to put pressure on the Russian forces massed on the border to enter Chechnya. At the same time, the reformist groups Yabloko and Russia's Choice appealed to the president not to use force - saying that the move could turn Russia into a police state. "You would lose the support of millions of Russian citizens who have set as their goal the peaceful democratic development of Russia," they said. *John Lloyd, Moscow*

Elliott committed for trial

Mr John Elliott, the Melbourne-based businessman and former president of the Liberal party, was yesterday committed for trial on charges of theft and conspiracy. Three other former executives at his Elders LXL brewing and agribusiness group, one of Australia's most prominent companies in the late-1980s, were also ordered to stand trial.

The ruling by Melbourne magistrate Graeme Hicks that the matter should go to trial follows four months of committal hearings, during which the prosecution alleged that the individuals had been involved in sham foreign exchange transactions totalling A\$68.5m (£33m). The purpose of these transactions, it was claimed, was to transfer money from Elders to companies connected to Mr Allan Hawkins, the now-jailed New Zealand businessman.

The prosecution relied in large part on the testimony of Mr Ken Jarrett, another former Elders executive, who was originally charged alongside Mr Elliott but subsequently pleaded guilty to a lesser charge and agreed to give evidence against his former boss. Mr Hicks, in his ruling, acknowledged Mr Jarrett was a self-confessed perjurer and had a motive for minimising involvement in the sham. However, he also said Mr Jarrett did not appear to be a manipulative and cunning liar, but a reliable and honest witness. *Nikki Tuk, Sydney*

Finland raises interest rates

Finland's central bank surprised financial markets yesterday by raising official interest rates for the first time in two years to damp rising inflation expectations and cost pressures which it said threatened price stability.

The move, lifting its "lender" rate for short-term money market lending to 5.5 per cent from 5.01 per cent, came despite historically low inflation rates in Finland. Year-on-year inflation is running at 1.9 per cent after a deep recession which shrank the economy by 15 per cent and pushed unemployment to almost 20 per cent of the workforce. But the central bank is worried that a surge back to strong economic growth - gross national product is expected to rise by more than five per cent in 1995 - could trigger renewed inflation growth through wage claims and capacity shortages. "We wish to react to this sooner rather than later," a bank spokesman said. *Hugh Carnegie, Stockholm*

Chissano sworn in again

Mr Joaquim Chissano, Mozambique's president since 1986, was sworn in for a new five-year term yesterday with a pledge that peace would last in the war-weary southern African country. "This spectre of war has been removed. Peace has come to stay," he told a crowd of thousands in Maputo's Independence Square, among them his former civil war rival Mr Afonso Dhlakama, leader of the main opposition Renamo party.

Mr Chissano also made a plea for reconciliation. "This is a time for us to continue healing all our wounds and overcome distrust. We must know how to begin a new relationship, without preconceptions and without rancour. We must bury forever our hatreds and renounce vindictiveness once and for all," he said. "Let us forgive the wrongs of the past."

At Thursday's formal opening of parliament, Mr Chissano said the 18-year war between his ruling Frelimo party and the Renamo rebel Renamo was over and now was the time for fruitful dialogue. But soon after his conciliatory remarks, Renamo walked out of the sitting in protest at the procedure for electing the parliamentary chairman. *Reuter, Maputo*

US to cut weapons funding by \$7.7bn

By Bernard Gray, Defence Correspondent

Mr William Perry, US defence secretary, yesterday announced substantial cuts in several big weapons systems under development in the US. The move will save \$7.7bn (\$4.9bn) over five years, although Mr Perry said the cuts would have been \$20bn if President Bill Clinton had not recently increased overall military funding by \$25bn.

The most significant casualty is the Tri-Service Stand-Off Attack Missile which has been cancelled. TSSAM was being developed by Northrop Grumman and was to have produced the next generation of ground-hugging cruise missiles which incorporate radar-avoiding stealth technology.

The Boeing Bell Comanche scout helicopter for the US army also took a direct hit. Two prototypes of the Comanche will be built, but there are no funds in the budget for its production.

Other programmes were also affected. The number of Agile cruiser ship radar systems will be cut from 18 to 16, the third New Generation hunter-killer attack submarine is being put back by a year, and funding for the F-22 stealth fighter programme is being trimmed slightly in 1996. However, these cuts do not threaten any of the projects and represent only a small setback for the companies involved. The air force and Lockheed had seen securing funding for the \$71bn F-22 programme as a priority.

Several programmes were unaffected by the cuts. The V-22 Osprey tilt-rotor - a cross between a helicopter and a turbo-prop aircraft - will continue. The Osprey had won strong congressional backing and was the most important new system wanted for transporting marine corps troops to battle zones.

A new army battlefield artillery system and the Joint-Service Primary Aircraft Trainer system (JPATs) also emerged unscathed.

The cuts follow a leaked memo from Mr John Deutch, deputy defence secretary, earlier this year which questioned the cost of the 10 most expensive equipment development programmes.

The Pentagon has decided to put more resources into keeping its current forces at a high state of readiness, rather than spending on modernisation.

Only the increased funding provided by Mr Clinton prevented several more high-profile programmes being axed, provoking suggestions that the administration was unwilling to see defence industry cuts on the scale which would have been required.

LAPHROAIG



FAR AND AWAY THE MOST DISTINCTIVE MALT WHISKY.



PEAT SMOKE, SOFT RAIN AND SEA AIR.
WOVEN TOGETHER IN SOME MYSTERIOUS ALCHEMY.



NEWS: INTERNATIONAL

Credit unions pushed close to bankruptcy by lending to troubled property group

Ailing Japanese banks thrown lifeline

By Michiko Nakamoto in Tokyo

The Bank of Japan moved yesterday to save two ailing credit unions, in the first publicly backed bank rescue since before the second world war.

A new bank is to be set up to absorb the assets and liabilities of the Tokyo Kyowa and Anzen credit unions, which are on the brink of bankruptcy. The two institutions have total non-performing loans of about ¥100bn (€63.7m), accumulated mainly through lending to KIE Inter-

national, a troubled property group. The central bank will become the largest shareholder in the new institution, providing half its ¥40bn capital. The remainder is to come from the private sector - including commercial, trust, regional, and long-term credit banks.

The plan marks a shift from recent Japanese financial rescues, in which big private banks have been encouraged to take on ailing counterparts. It is also a reminder of the deep wounds left on Japan's financial sys-

tem by the bursting of the "bubble economy," triggered by the asset price inflation and speculative investments of the late 1980s from which the country is only just recovering.

The move is the first publicly backed bank rescue since 1927 and the first time the Bank of Japan has extended funds to any financial institution since 1965, when it helped rescue Yamashita Securities.

The central bank stepped in over the credit unions after concluding it would be difficult for them to

attempt reconstruction on their own or find financial institutions prepared to absorb them.

Mr Yasushi Mieno, central bank governor, said that although the problem of bad debts had peaked, "there are still a number of small and medium-sized financial institutions that need help, and not extending support could lead to instability of the Japanese financial system".

He and Mr Masayoshi Takemura, finance minister, said the rescue plan was an emergency measure which did

not reflect a change in the government's policy of not using public funds to bail out financial companies. There were no plans to use the new bank to rescue other institutions.

The bank, which could begin operating as early as February, will continue deposit, loan and other banking operations. Non-performing loans will be transferred to another body that will receive financial support from the Tokyo metropolitan government, which has jurisdiction over credit unions.

Survey shows recovery is gathering pace

By William Dawkins in Tokyo

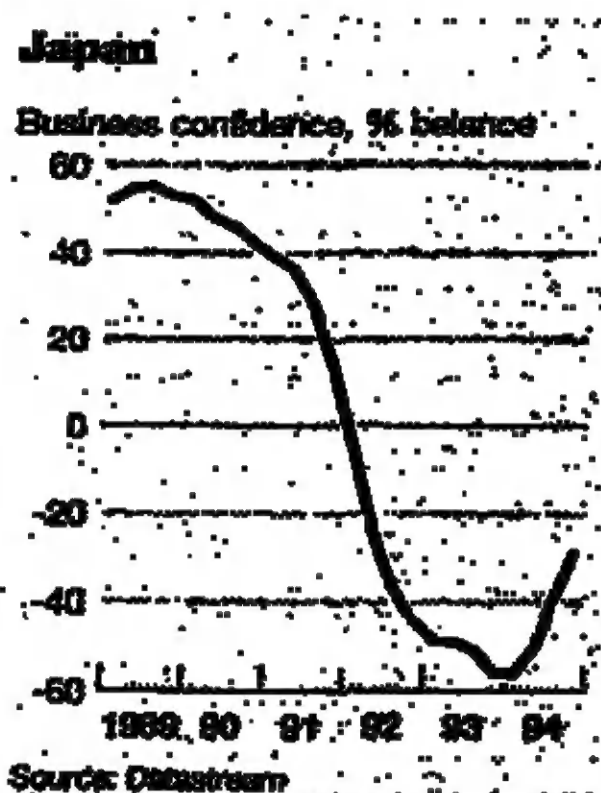
Japan's economic recovery is gradually gathering impetus, although weak capital investment suggests the upturn will continue to be slow, according to the Bank of Japan's latest quarterly survey.

The bank's index of business confidence showed that the balance between manufacturing companies reporting poor or good conditions improved to -29 in November, from -39 in the previous survey in August. The index, covering nearly 10,000 companies, is Japan's most authoritative measure of the short-term economic outlook and guides the central bank's monetary policy.

According to the survey, big companies plan to cut capital spending by 3.9 per cent this year, slightly more than they were forecasting in August, although less steep than last year's 11.3 per cent fall in investment.

Corporate investment caution reflects the weak sales outlook, with turnover forecast to rise by a mere 0.8 per cent this year after a 5.8 per cent fall in 1993.

Excess employment is still a problem, with a balance of 32 reporting that their payrolls are too large. However, manufacturing employment is



declining at 2.5 per cent annually, according to the latest labour ministry report, suggesting this problem might soon start to diminish.

Surplus production capacity also continues to be a burden, although a declining one, the survey says.

Manufacturers told the central bank that profits would rise by 24 per cent in the year to the end of next March, better than the 16.1 per cent increase they were expecting in August.

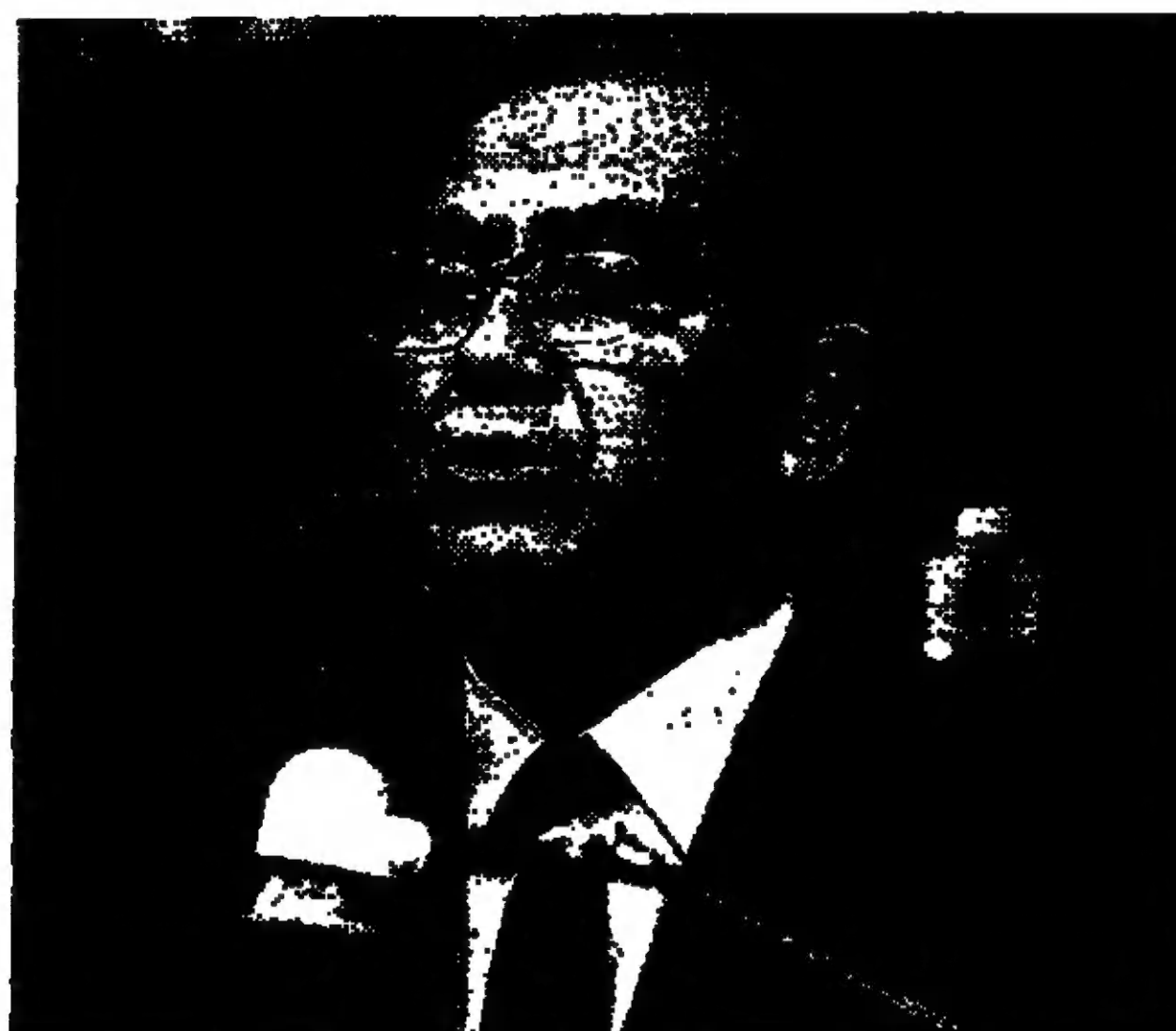
Service companies, dragged down by the financial sector, have revised their expected profits decline to 1.8 per cent, from 5.1 per cent in the last survey.

Officials break with tradition to reassure financial system

The launch of a lifeline for two ailing Japanese banks was greeted by analysts yesterday as a rare sign that the authorities are acting decisively to ensure the financial system's stability, writes William Dawkins.

The Bank of Japan's decision to set up a rescue bank, partly funded by public money, to take over two small, virtually bankrupt credit unions early next year is its first post-war use of such funds for a bail-out.

Tokyo Kyowa and Anzen will be closed and the rescue group will try to recover some of their ¥100bn (€63.7m) bad debts, before selling the remnants back to the private sector.



Yasushi Mieno: BoJ governor has good reason to act swiftly

Mr Yasushi Mieno, outgoing central bank governor, had recently hinted at a switch away from the traditional preference for smoothing over financial problems.

He told a meeting of BoJ economists: "Failure of an institution that has reason to fail is necessary from the viewpoint of nurturing a sound financial system built on competitive mechanisms."

This will be the first publicly backed bank rescue since 1927, when the government and private sector launched the jointly owned Showa Bank to take over the assets of failed financial institutions during the slump of that time. Showa, unlike the new vehicle, was privately funded, with the cen-

tral bank simply co-ordinating the rescue.

This new lifeline reduces the likelihood that commercial banks will be cajoled by the finance ministry, as in the past, into taking over their weaker counterparts, although they will be asked to contribute to the rescue. It was, on balance, a "positive sign," a senior commercial banker said.

Ms Alicia Ogawa, equity analyst at Salomon Brothers Asia, said the lifeline might speed up a reduction in the number of small loss-making banks, thereby freeing market share

for the financially secure commercial banks. This would be welcomed by the bigger institutions, as the domestic market is shrinking; total loan volumes have declined by 1 per cent so far this year, according to the BoJ.

However, it was unclear yesterday whether the lifeline would be enlarged to take on bigger potential threats to financial stability, such as the seven housing loan corporations whose bad debts stand at an estimated ¥6,000bn. Mr Masayoshi Takemura, finance minister, said he believed the rescue was on offer only to the two credit unions.

by a newcomer's reluctance to rock the boat.

The recent embarrassing failure of a finance ministry plan to merge three regional banks in northern Japan, blocked by customers and unions, may also have contributed to the decision to tackle the problem openly. Moreover, the finance ministry and central bank are secure in the knowledge that the credit unions' problems are limited to their increasingly small sector; the lifeline will boost confidence rather than trigger panic.

The credit associations and credit unions are a specialised relic of the fragmented traditional banking sector, now facing tougher competition from the big city banks. They were intended to lend to consumers and small businesses, to leave larger players free to channel capital to industry. But in today's less regulated banking market, Ms Ogawa believes, they are no longer economically viable.

They have missed out on the economies of scale and technology achieved by larger competitors, while lending is limited by law to individuals and small businesses. As a result, the 612 credit associations and unions had a mere 11.3 per cent of private sector loans by the end of last March.

This may explain why Tokyo Kyowa and Anzen were tempted, in apparent disregard of official guidelines, to stray beyond their usual markets into property lending.

The cost of local credit banks' funds remains high, while their big competitors are exploring ever cheaper sources of capital. The deregulation of interest rates on deposits, completed two months ago, has also increased competition for customers' cash.

Some have responded with costly marketing gimmicks, to the finance ministry's anxiety. Johan Shinjink Bank, the largest credit association, last month started a new trend by offering savers cash prizes. Others have started to raise deposit rates, confident the government will not allow them to collapse.

Yesterday's announcement shows the authorities are ready to take a tough line with those who go astray.

S African tax reforms seek to pull in evaders

By Mark Suzman in Johannesburg

A government-appointed commission has called for a comprehensive revamping of South Africa's tax system, including reforms in tax collection, an increase in the top marginal rate of income tax to 45 per cent, and a once-off tax amnesty to try to draw in evaders.

Unveiling the report in Johannesburg yesterday, Prof Michael Katz, commission chairman, said it aimed to set out a framework that would reduce the tax burden on the poor and middle classes while maintaining an investor-friendly environment to promote domestic investment and attract new foreign capital.

However, Prof Katz stressed that the key to the proposed reforms' success was continued government commitment to reducing the budget deficit. "Unless government spending is curbed, no tax system in South Africa will be adequate," he said.

Supporting the government's pragmatic line on fiscal policy, the wide-ranging document acknowledges that South Africa's big wealth disparities raise the temptation to try to alleviate the lot of the poor by reducing value added tax (VAT) on items such as foodstuffs and increasing corporate taxes and income taxes on the rich. But it warns that such

moves would be counterproductive in the long run.

Instead, it recommends that only the marginal rate on people earning more than R150,000 (€27,200) a year should be increased, while arguing that no new VAT exemptions should be made. It also proposes the abolition of the marketable securities tax and approves in principle the creation of tax-exempt export processing zones to facilitate foreign investment in the stock market and industry.

The report also urges the revamping of the existing tax collection system, including making the Inland Revenue department autonomous, and significantly increasing staff numbers and improving training. To complement this it recommends a one-off amnesty for tax evaders, who include many blacks who have never registered as taxpayers, to help develop a culture of tax payment.

Analysts largely welcomed the report, which they saw as a compromise between fiscal constraint and social responsibility. However, some labour representatives expressed disappointment that the commission had not recommended boosting VAT on luxury goods while reducing it on basic products.

The report will be submitted to parliament for approval in early January, ahead of the budget which is due in March.

Thai coalition near collapse as party quits

By William Barnes in Bangkok

Thailand's coalition government was near collapse yesterday after a split over local administration prompted the abrupt departure of its second largest member, the New Aspiration party led by the interior minister.

Mr Chuan Leekpai, the prime minister, who now controls only 141 of the 380 seats in the lower house of parliament, must persuade one of the right-wing opposition parties to join the government or call a general election.

There are fears the break-up of what is probably Thailand's least corrupt elected government in recent history could dilute the vital but unspectacular efforts to revamp the country's mediocre education system and boost the incomes of the rural poor, which have been the hallmarks of its two years in office.

Mr Chuan said his Democrat party, the largest single grouping in the coalition, would lead a minority administration during talks to form a new government, partly to ensure parliament passed proposed constitutional reforms, such as lowering the voting age to 18.

This leaves him vulnerable to a no-confidence vote, which could occur during an emergency session even though parliament goes into recess for four months on December 21.

If the government is unable to accommodate the demands of the two big opposition parties, parliament will probably be dissolved early in the new year, dashing hopes that Mr Chuan's coalition could be the first to survive a full four-year term. General elections would be held in April or May.

The opposition had no hesitation in helping to humiliate the government, even though they originally proposed the election of local government officials.

"I think Chuan has the fight of his political life now," said Mr Amnuay Wirawan, who recently stepped down as a deputy prime minister to form a new party.

This is an awkward time for the Democrat party to fight an election as it has seen its relatively clean image tainted by scandal. The party's deputy agriculture minister, Mr Suthep Thaugsuban, resigned his cabinet post on Tuesday following allegations that he helped transfer land to rich friends on the holiday island of Phuket.

However, few people expect to see the military step into the political arena after its chastening experience in 1992, when Mr Chuan's coalition swept into power on a wave of opposition to the violent suppression of pro-democracy protests.

Rao party faces state poll defeat

By Stefan Wagstyl in New Delhi

India's governing Congress (I) party is facing serious defeat in the latest round of state elections, according to results announced yesterday.

Projections made on the basis of early results indicated Congress was set to lose control of Andhra Pradesh, the home state of Mr Narasimha Rao, the prime minister, and in two more of the four states which have held elections in the past six weeks. The count started yesterday.

The early results are a setback to Mr Rao, who earlier said the elections were an acid test for Congress and its policies, including economic reform.

The likely defeats in the two largest of the four states - Andhra Pradesh and Karnataka, both in the south - are a particular blow to Mr Rao, the only southerner among the top party leaders. The results could herald a disruptive bout of squabbling among party chiefs but are not expected to threaten the stability of Mr Rao's government.

MARGINED FOREIGN EXCHANGE TRADING
Fast, Competitive Quotes 24 Hours
Tel: +44 71 815 0400
Fax: +44 71 329 3919

INVESTORS - TRADERS - CORPORATE TREASURERS
SATQUOTE™ - Your single service for real time quotes.
Futures * Options * Stocks * Forex * News * Via Satellite
LONDON +41 329 3377 NEW YORK +212 266 655 FRANKFURT +49 69 48871

FUTURES & OPTIONS TRADERS
FOR AN EFFICIENT & COMPETITIVE SERVICE
BERKELEY FUTURES LIMITED
38 DOWER STREET, LONDON W1X 3BS
TEL: 0171 639 1135 FAX: 0171 495 0022

FOR TRADERS ON THE MOVE
Watch the markets move with the screen in your pocket that receives Currency, Futures, Indices and News updates 24 hours a day. For your 7 day free trial, call Futures Pager Ltd on 071-855 0400 now.
FUTURES PAGER

TAX-FREE SPECULATION IN FUTURES
To obtain your free guide to how you Financial Speculator can help you, call Michael Murray or Ian Jordan on 071-438 7223 or write to us LCL, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

CMG FutureView
Real-time worldwide coverage of Futures/Options prices. Soft, Agricultural, Financial, Energy, Metals, FX, News, Charting, PC windows system compatible. Rates of one penny accuracy & speed. In one value for money package. Available in the UK and Europe via satellite.
Investors could buy any share on the stock exchange via satellite.

Market-Eye
Professional financial information direct to your PC for a low fixed cost.
FREEPHONE 0800 321 321

Currency or Bond Fax - FREE 2 week trial
also daily gold and silver rates
from Credit Analysts Ltd
Tel: 0171 734 7174
Fax: 0171 437 4966

FREE FOREIGN EXCHANGE
A comprehensive guide to the foreign exchange market.
11 Old Bailey London EC2A 3DU
Tel: 01-565 0800
Fax: 01-472 0976

FOREX • METALS • BONDS • SOFTS
Objective analysis for professional investors
0962 879764
Pinnacle House, 32 Southgate Street, Winchester, Hants SO23 7EH Fax 01246 779297

Fidelity International Investor Service



Trade at a discount in markets worldwide

If you make your own investment decisions, Fidelity's International Investor Service offers a simple and inexpensive way to access world markets. The service is specially designed to meet the needs of expatriate and international investors and offers substantial discounts over traditional full cost stockbrokers.

Currency conversions are done at no extra charge when associated with a managed fund or securities trade, and our linked, multi-currency offshore Money Market Account pays gross interest on all uninvested cash balances.

What's more, you have the reassurance of the Fidelity name — one of the leading and most respected stockbroking and fund management groups in the world.

Call or write for details and an application.

- Trading in UK, US, Continental Europe and other major markets
- Access to over 3,000 unit trusts & mutual funds
- Discount commissions over full cost stockbrokers
- Multi-currency Money Market Account
- Callfree dealing numbers from Europe

Call (44) 737 838317

UK Callfree 0800 222190

9am - 6pm (Mon-Fri) 10am - 4pm (Sat-Sun)

UK time

Fax (44) 737 830360 anytime

To: Fidelity Brokerage Services Limited,
Kingwood Place, TADWORTH, Surrey KT20 6BS, United Kingdom.
Please send me more information and an application for Fidelity International Investor Service.

Name/Title (Please print) _____

Address _____

Postcode _____

Tel. No. _____ Day/Even (please circle)
(So that we may call you to answer any questions you may have)

Nationality _____

Fidelity Brokerage
We cut commission - not service.

This advertisement is issued by Fidelity Brokerage Services Limited, member of The London Stock Exchange and The SFA.

صكزا من الاصل

END OF THE YEAR IN DECEMBER

hai coalition
ear collapse
s party quite

...the coalition...
...the coalition...
...the coalition...

no party face
ate poll defea

...the party...
...the party...
...the party...

DR TRADERS ON THE M...

FUTURES PAGER

FREE SPEECH
IN FUTURES

Market-Eye

FREEPHONE 0800 333 333

Band Fax - FREE 2...

0962 87972

هكذا من الاعمال

As the world switches to Samsung, Samsung invests in Britain.



Mr K.H. Kim, Vice-Chairman of the Samsung Electronics Group.

THE biggest investment in Europe by any Korean company was marked by yesterday's ground-breaking ceremony for Samsung's new industrial complex on Teesside.

Samsung, the largest company in Korea, the 14th largest in the

world, and the fifth largest manufacturer of electronics products, is pouring £600 million into establishing a complex that will stimulate an area hit by economic depression and unemployment. The investment, supplemented by central and local government grants, will create more than 3,000 jobs by the year 2000 and many more through construction and other contracts.

The significance of the ceremony was emphasised by the presence of Mr K H Kim, vice-chairman of the Samsung Electronics Group, and Mr Michael Heseltine MP, President of the Board of Trade. The company views yesterday's occasion as the first step in a long association with Teesside, reflecting Samsung's long term investment in the UK.

The building of the complex will be in two phases. The first phase will be ready in August 1995, when the manufacture of personal computer monitors and microwave ovens will begin. In 1997 work will begin on the second phase, to be completed by the end of the decade - factories

to manufacture fax machines, colour display tubes and personal computers, and centres for training, administration and research and development.

Samsung is considering further expansion on the Teesside site, which will be the group's base for supplying Europe. At the same time the group's European headquarters is moving into Britain.

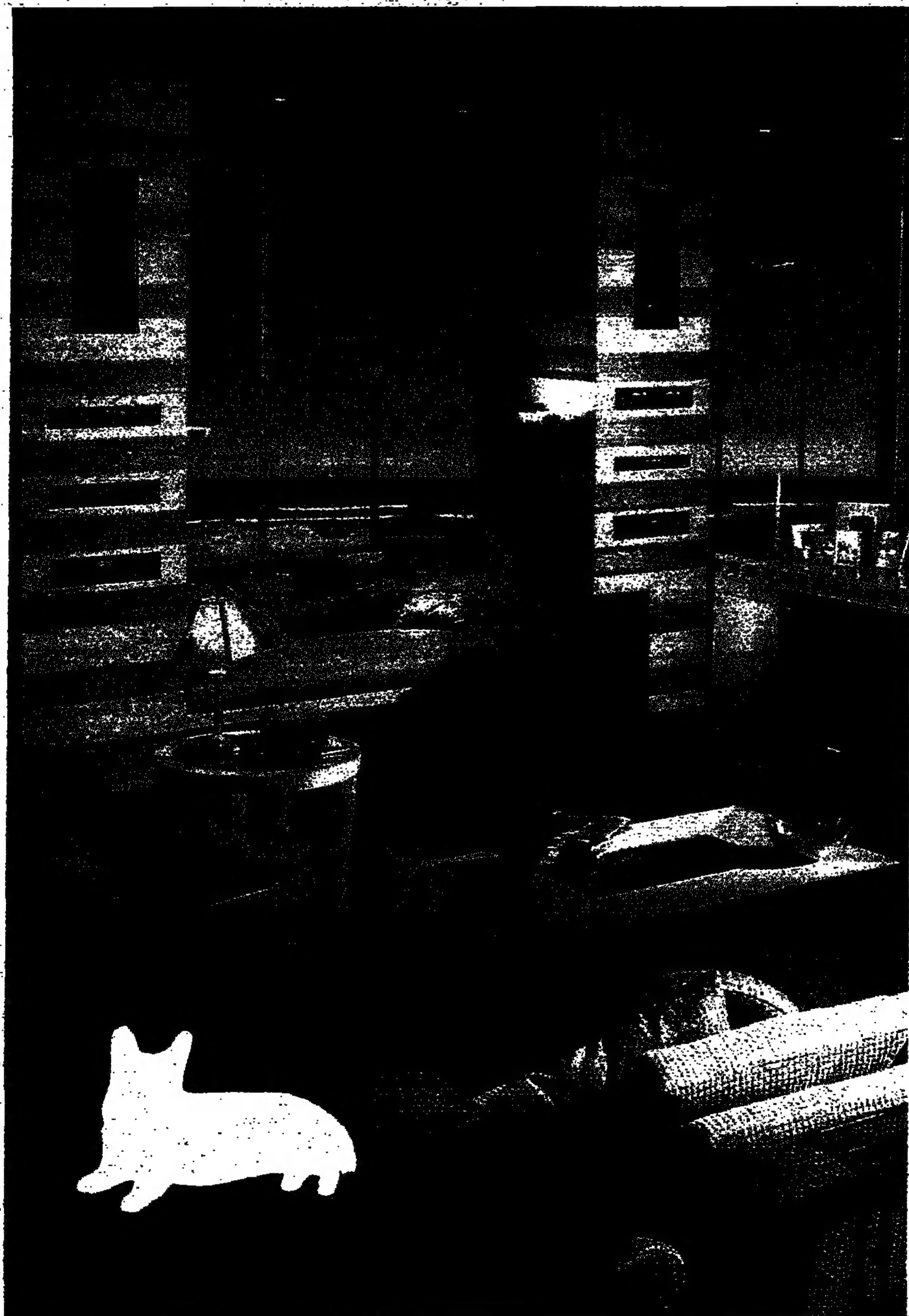
Furthermore, the Teesside project is an integral part of Samsung's ambitious international strategy of establishing five continental production bases serving markets in Europe, the USA, South America, Japan and China.

The choice of the 200-acre Wynyard Park site was automatic as Samsung opened a television factory at Billingham, only a few miles away, seven years ago. The group values the infrastructure of roads, ports, airports and utilities in the North-East that are vital to successful business.

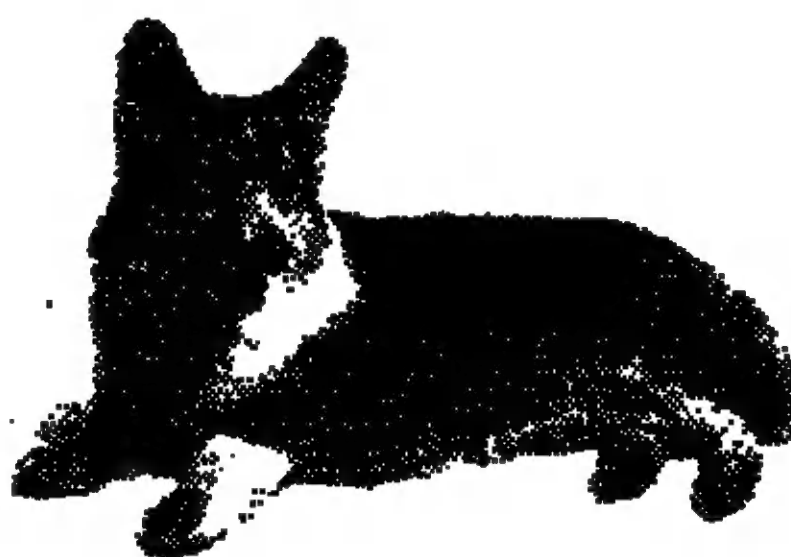
From its experience at Billingham, Samsung has also come to value the people who take pride in the

quality of their work. Despite its size, Samsung appreciates that achieving success globally is dependent on being first-class locally, and its policy is to build strong relationships with the people in the countries where it operates.

In addition, by devoting 7 per cent of its annual turnover to research and development, Samsung demonstrates that enhancing quality of life through innovation is as important as creating business.



SOMETHING
WE DON'T
HAVE THE
TECHNOLOGY
TO MAKE.



SAMSUNG ELECTRONICS U.K. LTD, Samsung House, 225 Hook Road
South, Surbiton, Surrey KT6 7LD, England Tel: (+44-81) 381-0108
Fax: (+44-81) 320-0840
SAMSUNG ELECTRONICS CO., LTD, 250, S-ga, Teoppyung-ro, Chung-gu,
Seoul, Korea Tel: (+82-2) 727-7114, Fax: (+82-2) 727-7820

At Samsung, we're committed to
improving technologies that
improve our lives. With leading
innovations in consumer
electronics, semiconductors,
computers and information
systems, we've become one of the
world's fastest growing resources in
electronics. Below are just a few
examples of how we're making
technology work for everyone.

• CONSUMER ELECTRONICS

Laser Disc Player
Color Video Printer
Camcorder

• SEMICONDUCTORS

64M DRAM
4M SRAM
ASIC

• COMPUTERS

Pen Notebook PC
RISC Workstation

• INFORMATION SYSTEMS

Hand Held Phone
Electronic Switching System

TECHNOLOGY
THAT WORKS
FOR LIFE

SAMSUNG
ELECTRONICS

NEWS: UK

PC-based share dealing system to be tested

By James Buxton

A pilot project is to be launched early next year for an electronic share dealing system which enables anyone equipped with a personal computer and a modem to buy and sell shares.

Electronic Share Interchange hopes to go live by the middle of the year and create a UK-wide share-dealing market which will specialise in trading in small companies and the floating of new ones.

Electronic Share Information, the Cambridge company which is developing the system, believes that using computer technology can dramatically reduce the cost of dealing in shares, enable more companies to raise money by issuing equities and attract more individual investors.

The new market would not involve stockbrokers or other intermediaries, and companies coming to it would not need to be sponsored by a stockbroker.

ESI would compete with the London Stock Exchange - in particular with AIM, the alternative investment market - to launch next year to replace the Unlisted Securities Market.

This week the company received an indication from the Securities and Investment Board, the City's chief watchdog, that although it was proposing a market without intermediaries, it would not be impossible for SIB to approve it as a recognised investment exchange. ESI has not yet made a formal application.

ESI believes it could have a similar impact on share trading that

Direct Line, the telephone-based insurance company, had on the selling of motor insurance.

Settlement of payment for transactions would be electronic and payments transferred in seven seconds, using the services of a clearing bank.

ESI is talking to Bank of Scotland about the provision of services for the pilot project, which is expected to start in February or March at the business school of Glasgow Caledonian university. Lecturers and students will trade in fictitious companies and respond to "news" and financial information about them.

ESI has been devised by a group of electronics specialists. The chairman is Mr Hermann Hauser, a founder of Acorn, the computer company which now belongs to Olivetti. The technical

director is Mr Jack Lang, a computer specialist and entrepreneur. Software has been developed by TOAM Systems of Edinburgh.

ESI may locate its computer operations in Scotland. It sees an initiative on business start-ups spearheaded by Scottish Enterprise as a promising base for trading in regional shares.

The system is aimed at individual investors rather than institutions. Investors would pay £100 for computer software and a £15 a month subscription. They would buy shares by logging on via a modem, passing security procedures and striking a deal to buy packets of shares at a price quoted on ESI's public order board. The bank would immediately transfer payment from the account of the buyer to that of the seller.

If a user wanted a better price than that offered on the board he would enter an offer anonymously. ESI would levy a charge of 0.1 per cent on each transaction on ESI stocks, with a minimum of £5. The low charges would enable bargains of as little as £200 to be struck.

ESI's users could buy London-quoted shares, routed through a broker. The system would list existing quoted companies and encourage new ones with a turnover range between £1m and £20m. New entrants would not require a trading record, and sponsorship by a broker or other intermediary would be optional.

They would, however, have to publish a prospectus, with directors legally responsible for its accuracy, and publish price-sensitive information.

Quarterly trading results would be expected. ESI would make available as much information as possible about companies and their industrial sectors.

Mr Lang believes the availability of accurate information is often more important to individual investors than the sponsorship of intermediaries in making investment decisions. He accepts that sponsorship is important to institutions. A possible flaw is that if institutions do not invest, it may discourage individuals from joining.

ESI aroused considerable interest at a presentation in Glasgow this week. One banker said he saw it more as a way of encouraging more people to dabble in investing in shares than in helping companies raise money.

Invalidity benefit to be replaced

The government announced yesterday that it expects to claw back nearly £2bn in social security spending in the next three years by replacing invalidity benefit with an incapacity benefit from April next year. James Blith and David Owen write.

Amid growing controversy about social security reform, Mr William Hague, the minister for the disabled, revealed yesterday that savings from the benefit would grow dramatically in its first years.

The savings will largely come from tougher medical tests and a reduction in the number of people eligible for support.

Mr Hague announced in a parliamentary written answer that the tests would save £210m in 1995-96. But this would rise to £700m in 1999-00 and £1bn in 2000-01.

Mr Donald Dewar, shadow social security secretary, attacked the change, saying it would force 90,000 "into the dole queues" in its first year and 190,000 in its second.

Mr Hague said he saw it more as a way of encouraging more people to dabble in investing in shares than in helping companies raise money.

Infrastructure spending on the site by the government-sponsored agency English Partnerships is expected to exceed £12m. Support from Cleveland local authorities, Teesside Training and Enterprise Council and Teesside Development Corporation is estimated to be worth £16.7m over six years.

When the project - the biggest Korean investment in western Europe - was announced in October English Partnerships' input was put at £2m, and the package from Cleveland bodies at just less than £12m. The new figures come from the Northern Development Company, the regeneration body for north-east England and Cumbria.

Gerrymandering charges 'still hold'

Nothing about the strength and nature of the charges of gerrymandering brought against 10 current and former Westminster councillors and officials has changed, the inquiry into the case was told yesterday.

In the first of the closing submissions to the inquiry Mr Andrew Arden, acting for the group of residents who first aired the gerrymandering allegations, said nothing the accused had said or argued at the seven-week public inquiry would get them off the hook.

The district auditor, Mr John Magill, had accused the 10 of wasting £21.25m by selling homes at a discount to draw likely Tory voters into marginal wards.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

The inquiry was adjourned until Tuesday.

Sinn Féin comes in from the cold

By John Murray Brown

It was a detail a newcomer to Northern Ireland would probably have missed - a flash of blue round the neck of a woman talking to a policeman outside the gates of Stormont Castle.

"Look at that. She's wearing a Rangers scarf. That's the unashamed bigotry that is," the driver remarked as his cab reached the end of the mile-long drive to Stormont.

For the Catholic from the Short Strand road in Belfast the scarf of Glasgow Rangers football club was as much a symbol of Protestant supremacy as the imposing neo-classical facade of Stormont Castle, once the home of the Northern Ireland parliament, hated by republicans.

On a bright, bitterly cold day Sinn Féin, the IRA's political wing, came to start the first public meeting with British officials in 25 years at Stormont - from where unionists ran the province for more than 70 years until direct rule from London started in 1972.

Security was low-key. Nine years ago there were 1,800 policemen on duty when British and Republic of Ireland ministers met at the height of loyalist opposition to the Anglo-Irish agreement. Yesterday there were 16 constables, three sergeants, one superintendent and one chief superintendent.

Sinn Féin arrived in a bullet-proof blue Ford Granada and a black London-type taxi. After briefly posing for photographs they entered the swing doors to the left wing of the building to be greeted by Mr Quentin Thomas, head of the five-strong government delegation.

Yes, said one government official, there had been a handshake. "It's no big deal, though it probably will be tomorrow," he added, anticipating unionist reaction.



Sinn Féin's delegation posing for photographers before entering Stormont yesterday (from left): Sean MacManus, Siobhan O'Hanlon, Martin McGuinness, Lucinda Bhreatnach and Gerry Kelly

Former Gulf Group chairman remanded

By John Mason, Law Courts Correspondent

Mr Abbas Gokal, former chairman of the Gulf Group shipping empire, was remanded in custody by City of London magistrates yesterday after UK authorities investigating the collapsed Bank of Credit and Commerce International charged him with six offences of fraud.

Mr Gokal was extradited from Frankfurt on Thursday after a request from the government on behalf of the Serious Fraud Office. He was arrested by German police in July.

He was escorted to the UK by City of London police and formally charged on two counts of conspiracy to

defraud, one of conspiracy to account falsely and three of false accounting.

The charges of conspiracy to defraud allege that Mr Gokal conspired with his brothers Mustafa and Murtez Gokal, Mr Agba Hasan Abedi, the former BCCI chairman, Mr Swaleh Naqvi, the bank's former chief executive, and others to defraud BCCI investors and shareholders between 1983 and 1991.

It is alleged that this was done by Mr Gokal and others concealing the true nature of the relationship between BCCI and Gulf Group, creating companies to fraudulently receive funds from BCCI, creating documents to facilitate fraudulent transactions, falsely procuring the signatures of Gulf Group

employees, preventing the BCCI auditors doing their job properly and arranging false payments into the Gulf Group accounts to give the auditors the impression that its loan exposure had been reduced.

The conspiracy to account falsely charge alleges that between 1985 and 1991 Mr Gokal conspired with Mr Abedi, Mr Naqvi and others to falsify documents relating to Gulf Group and obtaining signatures by deception.

The three false accounting charges allege that in 1988 Mr Gokal falsified letters of instruction which suggested that three money transfers totalling \$3.8m were bona fide.

Mr Gokal was remanded in custody until December 13.

Businessman acquitted only to be arrested

By John Mason

Mr Malcolm Johnson, an Australian business and mining consultant, was yesterday cleared of stealing £1m from Energy Capital, an oil and gas exploration company, to support the company's £3.5m rights issue in 1989.

After his acquittal at the Old Bailey, however, Mr Johnson was immediately arrested and served with an extradition warrant on behalf of the Australian authorities.

The Australians want to question Mr Johnson about his involvement with an Australian company's purchase of oil

interests in the US Burbank field. Mr Johnson, from Kitzbuhel, Austria, spent last night in custody and is expected to appear before Bow Street magistrates today to apply for bail.

The prosecution at the Old Bailey alleged that Mr Johnson stole £1m from Energy Capital - later renamed Claremont UK - to support the sub-underwriting of its rights issue.

The money was used as security for a loan by a Swiss bank to companies controlled by Mr Johnson and acting as sub-underwriters, the jury was told.

The defence said he had no involvement in the money

transfers. He was acquitted of two charges of theft.

The prosecution was part of a much larger case brought against Mr Johnson and others by the Serious Fraud Office. It initially brought a number of charges against Mr Johnson concerning the operations of Duralite Manufacturing, a company he owned.

He and two other men were charged with conspiring to induce investors to back a mining venture by the company, by issuing false forecasts about its assets.

These charges were dismissed by an Old Bailey judge, who ruled that there was insufficient evidence.

Unison says cuts will secure its future

By Andrew Bolger, Employment Correspondent

Unison, Britain's biggest trade union, said yesterday that its financial future was secure after a voluntary redundancy programme which cut staff by nearly a quarter.

It also said it had signed up 92 per cent of its 1.3m members to pay their subscriptions by check-off.

Mr Alan Jinkinson, general secretary, denied reports that the union faced a financial crisis, although he said it would have a small deficit this year and might have to borrow up to £5m to help cover the £10m costs of the redundancy programme - the biggest by a UK trade union.

Unison was formed 18 months ago from the merger of three public service unions - Nupe, Nalco and Cohse. By the end of this year it will have shed 340 full-time jobs and 40 contract workers, bringing its staff down to just less than 1,200.

Those accepting redundancy received payments of up to £70,000, with an average of £31,000. The redundancy exercise will reduce annual staffing costs by £11m.

Mr Jinkinson said the terms had been met by staff with easily marketable skills, such as secretaries and word processor operators. The enlarged union was still "a bit top-heavy" with full-time officials.

Mr Jinkinson said the 92 per cent check-off sign-up level had been achieved by mid-November and was still increasing. He conceded, however, that the figure of about 100,000 members still to be signed up represented "a significant loss of potential income."

Plea on executive pay disclosure

By Norma Cohen, Investments Correspondent

The UK's biggest shareholders group is urging its members to sack non-executive directors who do not fully disclose all details of executive pay and explain how it was awarded.

The National Association of Pension Funds' investment committee met yesterday to discuss proposals, aired last week by government officials, that shareholders ought to have greater ability to control excessive pay for executives.

Mr John Rogers, investment committee secretary, said association members were not eager for new powers to vote down executive pay contracts. He said: "Shareholders appoint boards as their agents." Boards had to decide what pay levels were appropriate, not shareholders.

The investment committee is urging that remuneration committees consist entirely of non-executive directors and that these non-executives retire and stand for re-election each year. At present the recommenda-

tions of the Cadbury committee on corporate governance call for remuneration committees to be mainly composed of non-executives.

The remuneration committees should make full disclosure of policy and the principal factors leading to remuneration decisions.

Also, they must make full disclosure of all the elements of each named director's remuneration. Shareholders have complained that they know too little about the true cost of each

executive because the terms of share option schemes and pension arrangements are hidden in the small print of lengthy executive contracts.

Also, shareholders will expect the non-executives to ensure that there are no reciprocal arrangements between non-executives of different companies.

The association said that those non-executives who failed to follow the guidelines should not have their contracts renewed by shareholders.

Tories face big defeat at Dudley

By Paul Cheeswright, Midlands Correspondent

The Conservatives face a big defeat in the Dudley West by-election on Thursday, if opinions expressed in the latest poll carry through into the voting booths.

An NOP poll of 769 electors for the Express & Star newspaper in Wolverhampton and Central Television News, published yesterday, gave 66 per

cent of potential votes to Labour, 23 per cent to the Conservatives and 10 per cent to the Liberal Democrats.

The division of opinion is a local reflection of the national standing of the parties in The Daily Telegraph's Gallup poll, also published yesterday.

This put Labour's support at a record 61 per cent and that of the Conservatives at 21.5 per cent.

Dudley West electors were

interviewed by NOP between Monday and Thursday against the background of the government's fight with recalcitrant Tory backbenchers over value added tax on fuel. Its climb-down after a lost vote in the Commons and Mr Kenneth Clarke's consequent mini-Budget.

The poll found that 73 per cent of voters, regardless of voting intentions, think Labour will win. It found disil-

lusion with the government right across the political spectrum, with 81 per cent expressing dissatisfaction with its performance since the last general election.

Labour is seeking to win back a seat it lost to the Conservatives in 1979. At the 1992 general election the Tories held Dudley West with a majority of 5,789 votes, or 48.8 per cent of the total.

Margin warning on mortgages

By Alison Smith

The margin for lenders in the mortgage market is likely to have fallen from about 2 per cent to 1 per cent in the next five years, partly because of the entry of aggressive competitors, according to brokers Merrill Lynch.

It says that the arrival of Direct Line, the telephone-based insurance company, in selling mortgages to its customers is intensifying competition.

Its standard mortgage rate of 7.4 per cent is already undercutting that of Royal Bank of Scotland, its parent, when the cost of borrowing is higher than it would be in a mature mortgage business.

Mr Ian McGwen, banking analyst at Merrill Lynch, said that current mortgage margins were unusually high. It was this factor, rather than the particular efficiency achieved by the organisations, which made the greater contribution to the current cost/income ratios of building societies, which are

generally lower than those of banks, he said.

The research says UK mortgage margins are high in terms of international comparisons, and elsewhere in Europe margins are about 1 per cent to 1.5 per cent. This should be profitable enough for the bigger mortgage lenders in the UK.

While the trend will be towards narrower margins, lenders are likely to be able to take advantage of movements in interest rates. These often give them an opportunity to widen margins on the savings side even if not in lending.

The research says the attraction of smaller societies - those below the five or six biggest - as merger partners or targets for takeover is often exaggerated and their long-term viability is in doubt.

House prices in southern England will rise by 35 per cent to 60 per cent in the next five years, well above the 30 per cent increases in the north and the 50 per cent average for the UK as a whole, according to stockbrokers UBS.

Taylor Woodrow quits Channel rail link group

By Simon London

Taylor Woodrow, the property and construction company, has pulled out of Union Link, one of the four consortia bidding to build the £2.5bn Channel tunnel rail link with London.

The company said that it decided to withdraw "in view of the speculative expenditure and on-going risks" of the project.

Bids to build and operate the link are due to be submitted by March 14 and the winning consortium is expected to be announced late next year. The Department of Trade

Hundreds of Channel tunnel train passengers were evacuated yesterday after a car caught fire just after vehicle loading was completed at the tunnel's Folkestone terminal in Kent.

No passenger was hurt and no other vehicle was damaged.

The incident could mean a slight postponement in Eurotunnel's being granted a full operating licence for the Le Shuttle

car service which is running on an invitation-only basis.

Last night a report on the incident was being studied by the Anglo-French inter-governmental commission - the body which grants the licences for the various tunnel services.

The alert occurred soon after 10am when a Ford Escort on the upper deck of the train caught fire. As soon as the blaze

broke out the train crew closed fireproof doors to isolate the fire within one wagon.

Passengers were then evacuated as fire crews dealt with the blaze.

There were further problems for Eurotunnel later when a freight shuttle train stalled in the tunnel for 20 minutes - delaying other services including a high-speed Eurostar train.

The project had not changed since it was chosen as one of the four bidders in August.

It said: "The fact that Taylor Woodrow has gone does not remove any particular skill which none of the other parties

in the consortium possess. We will go ahead with our bid as planned."

The three other consortia bidding for the project are: Eurorail (BICC, GEC, HSBC Holdings, National Westmin-

CBI chief urges independent Bank

The chancellor's decision this week to raise base rates reinforced the need for a fully-independent Bank of England, Mr Howard Davies, director-general of the Confederation of British Industry, said yesterday.

Mr Davies noted the statement on Thursday by Mr Eddie George, the Bank governor, that policies had been irrelevant in his recommendation of the rate increase but added: "It looks as though companies are being made to pay for a lack of political judgement."

150 من الاصل

£440m link will boost exports

Eggar gives go-ahead to gas pipeline

By Robert Corbin

A £440m pipeline linking Britain with the European natural gas grid received the go-ahead yesterday, paving the way for large-scale gas exports from the UK by the end of the decade.

Nine companies, led by British Gas, agreed to fund the pipeline, known as the interconnector, which will run from Bacton on the East Anglian coast to Zeebrugge in Belgium, one of the hubs of the Continental gas grid.

Mr Tim Eggar, industry and energy minister, yesterday said the pipeline "will be of great strategic benefit to the UK and the rest of Europe".

He predicted that the interconnector would "give an important stimulus" to attempts to open up access to monopoly gas pipelines on the Continent.

Liberalisation of the Continental gas market has lagged well behind the reforms taking place in Britain.

British Gas yesterday said the interconnector should "open up new opportunities for the company in Europe". The company, which has substantial gas reserves in the North Sea and off the west coast of Britain, expects that a surplus of gas might develop later in the decade.

A planning application for the pipeline will be submitted early next year, in time for construction to begin in the spring of 1996. The pipeline is likely to be completed in the autumn of 1998. It will carry 20bn cubic metres of gas annually.

Officials close to the project believe the flow of UK gas to Europe will last for between 10 and 15 years. The likely depletion of British reserves after that could then result in a reversal of the flow, officials say.

Gazprom, the Russian company which is the dominant exporter of gas to western Europe, has a 10 per cent stake in the project, even though the prospect of exporting gas to the UK is some way off.

The construction of the pipeline will also open up the possibility of Norwegian gas exports to the Continent being routed through the British gas grid. The Frigg line currently runs from Norway to Scotland.

Such a development may, however, necessitate considerable expansion of British Gas's national, high-pressure transmission system. Officials at TransCo, British Gas's pipeline subsidiary, have estimated that hundreds of millions of pounds may have to be spent on the grid to cope with the additional flows of gas.

The companies participating in the scheme include American Hess of the US, British Gas, British Petroleum and its Norwegian partner Statoil, Norsk Hydro, Conoco of the US, Belgium's Distrigaz, Elf of France, Ruhrgas of Germany and Gazprom of Russia.

autumn of 1998. It will carry 20bn cubic metres of gas annually.

Officials close to the project believe the flow of UK gas to Europe will last for between 10 and 15 years. The likely depletion of British reserves after that could then result in a reversal of the flow, officials say.

Gazprom, the Russian company which is the dominant exporter of gas to western Europe, has a 10 per cent stake in the project, even though the prospect of exporting gas to the UK is some way off.

The construction of the pipeline will also open up the possibility of Norwegian gas exports to the Continent being routed through the British gas grid. The Frigg line currently runs from Norway to Scotland.

Such a development may, however, necessitate considerable expansion of British Gas's national, high-pressure transmission system. Officials at TransCo, British Gas's pipeline subsidiary, have estimated that hundreds of millions of pounds may have to be spent on the grid to cope with the additional flows of gas.

The companies participating in the scheme include American Hess of the US, British Gas, British Petroleum and its Norwegian partner Statoil, Norsk Hydro, Conoco of the US, Belgium's Distrigaz, Elf of France, Ruhrgas of Germany and Gazprom of Russia.

Truck sales up 50% this year

By John Griffiths

Recovery in the UK truck market is proving stronger than expected with demand running at an annual rate 50 per cent higher than at the end of last year, according to industry estimates.

Sales and orders are running at an annualised 50,000 for trucks over 3.5 tonnes, compared with 33,000 this time last year, according to truck market leader Iveco-Ford and second-placed Leyland DAF Trucks.

Their estimates are supported by statistics from the Society of Motor Manufacturers and Traders which show strong rises last month in light commercial vehicle as well as truck registrations.

Coupled with SMMT figures published earlier this week showing another rise in business car purchases, the statistics provide evidence of

increasing economic activity while leaving the motor industry to seek other explanations for a slump in new car purchases by private motorists.

According to SMMT statistics new registrations of trucks over 3.5 tonnes jumped 43.7 per cent in November, to 4,905 compared with 3,414 in the same month a year ago.

They lifted registrations for this year's first 11 months to 41,473, representing a year-on-year rise of 23 per cent, and put the industry on course for total sales this year of about 45,000 units. This compares with 36,507 last year and 31,386 in 1992.

Both Iveco-Ford and Leyland DAF indicated that truck sales could reach 50,000 next year.

At 19,824, total registrations of all types of commercial vehicle last month were 17.1 per cent higher than in the previous November.

UK COMMERCIAL VEHICLE REGISTRATIONS JANUARY-NOVEMBER 1994

	Volume (Units)	Volume Change (%)	Share (%) Jan-Nov '94	Share (%) Jan-Nov '93
Total Market*	215,294	+15.8	100.0	100.0
Imports	83,640	+21.1	43.5	41.5

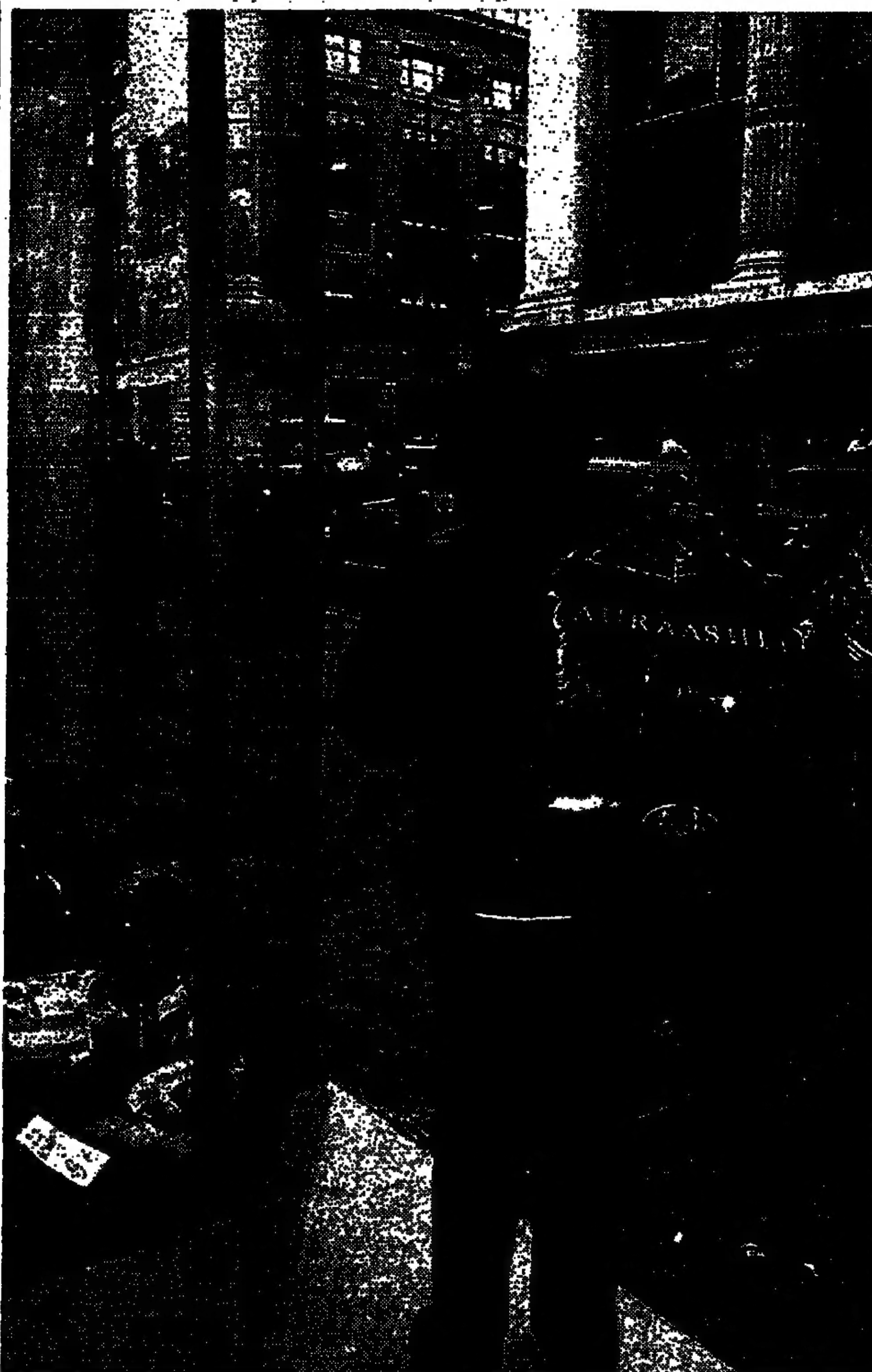
Small vans (up to 1.8 tonnes)	Volume (Units)	Volume Change (%)	Share (%) Jan-Nov '94	Share (%) Jan-Nov '93
Total	94,555	+18.9	100.0	100.0
Imports	26,334	+27.5	32.2	36.6
Ford	29,212	+21.3	45.3	44.4
Vauxhall (General Motors)	15,518	+11.7	25.7	20.5
Renault	4,418	+38.0	6.8	6.0
PSA Peugeot Citroen	3,803	+12.1	5.9	6.2
Fiat (BMW)	2,405	+18.2	3.7	5.3

Medium vans & pick-ups (1.81-3.5 tonnes)	Volume (Units)	Volume Change (%)	Share (%) Jan-Nov '94	Share (%) Jan-Nov '93
Total	89,988	+12.9	100.0	100.0
Imports	35,880	+12.7	39.9	38.1
Ford	43,652	+7.2	48.6	49.1
UDV	11,078	+25.4	11.3	10.6
Mercedes-Benz (Daimler-Benz)	7,797	+48.2	8.3	6.8
Volkswagen	7,422	+26.0	7.9	7.1
Renault	5,079	+11.4	5.4	5.5
Nissan	3,940	+13.9	4.2	4.2
Vauxhall (GM)	3,734	+11.9	4.0	4.0
PSA Peugeot Citroen	3,294	+15.4	3.5	3.1
Toyota	3,516	+9.3	3.7	4.1

Trucks (over 3.5 tonnes)	Volume (Units)	Volume Change (%)	Share (%) Jan-Nov '94	Share (%) Jan-Nov '93
Total	41,473	+43.0	100.0	100.0
Imports	24,305	+42.9	58.6	50.4
Iveco group (Fiat)	9,113	+11.2	22.0	24.3
Leyland DAF (DAF Trucks)	7,503	+20.2	18.1	18.5
Mercedes-Benz (Daimler-Benz)	7,465	+25.1	18.0	17.7
Veo	5,655	+30.0	13.6	12.9
Scania (Iveco)	5,559	+30.3	13.4	12.9
MAN	2,553	+26.8	6.2	6.0
EFF	2,335	+26.6	5.6	5.3
Renault	1,640	+45.9	4.0	3.4

Of which Heavy Trucks (over 15 tonnes)	Volume (Units)	Volume Change (%)	Share (%) Jan-Nov '94	Share (%) Jan-Nov '93
Total	25,917	+30.0	100.0	100.0
Veo	5,181	+30.5	20.0	20.6
Leyland DAF (DAF Trucks)	3,841	+43.8	15.4	13.7
Scania (Iveco)	3,559	+32.3	14.2	14.0
Mercedes-Benz (Daimler-Benz)	3,061	+28.9	12.2	12.3
Nissan group (Fiat)	2,386	+12.0	9.5	9.4
PSA Peugeot Citroen	2,255	+30.0	8.9	8.7
MAN	1,472	+13.5	5.9	6.7
Renault	975	+62.4	3.9	2.5

(Names in brackets indicate ownership)
*Includes buses and light four wheel drive utility vehicles.
*Includes Iveco Ford and Scania Daimler.
Source: Society of Motor Manufacturers and Traders and industry estimates.



London's West End yesterday: stores groups fear the rate rise could damage consumer confidence

Seasonal chart-topper retains selling power

This time last year Take That, the teen idols, took on Mr. Bobby. - and lost. This year East 17 and Mariah Carey are slugging it out against the Mighty Morphin Power Rangers for the top slot in the 1994 Christmas pop charts.

A Christmas number one not only wins the dubious accolade of becoming the year's office party anthem but is also extremely lucrative. Usually twice as many singles are sold in the two or three weeks before Christmas than in the same period at any other time of the year.

The competition for the top of this year's Christmas chart is hotter than ever. The music industry has rebounded from the recession and had a good year. Record companies have been rushing out seasonal releases in the hope that their artists can cash in on the pre-Christmas spree.

Mr Graham Sharpe, who runs a book on the Christmas number one for William Hill, the bookmaker, said: "This is one of the most exciting Christmas charts ever. There are lots of Christmas singles out there and there'll be a real race for number one."

The phenomenon of the Christmas number one dates from 1955, when Dickie Valentine's *Christmas Alphabet* topped the charts. Harry Belafonte continued the tradition two years later with *Mary's Boy Child*.

There were no truly Christmas number ones in the 1960s. But the festive spirit revived amid the kitsch enthusiasm of the early 1970s when Slade hit the top spot with *Merry Christmas Everybody* in 1973 followed by Mud with *Lonesome This Christmas* in 1974.

The 1970s also marked the emergence of Christmas hits as a significant source of sales. Queen's *Bohemian Rhapsody* and *Mail of Kings* by Paul McCartney and Wings topped the Christmas charts when they were released in 1975 and 1977 respectively. Each went on to sell 2m copies.

They were out-sold by *Do They Know It's Christmas?*, the Band Aid charity single which sold 3m copies and scored two Christmas number ones, in 1984 and 1985.

More recent Christmas hits have had more modest sales. According to the British Phonographic Industry the music

market peaked in 1979, when 80m singles were sold. The singles sector reached its nadir in 1992, when sales fell to 58m due to the recession and the decline in the number of teenagers - the chief purchasers of singles.

The market has since revived as the recession has ended and the teenage population has started to grow. The BPI estimates that singles sales rose to 295m, or 62m units, in the 12 months to September, a 12 per cent increase from the same period last year.

This bodes well for Christmas. Even in the lean years it has been the busiest time of the year for the market as many people who do not normally buy records pick up singles for parties or presents.

CIN, the market research consultancy which compiles the singles chart, estimates that a Christmas chart-topper sells between 150,000 and 200,000 copies a week, compared with between 50,000 and 100,000 a week at any other time of the year. Christmas hits have the chance of repeat sales if they are re-released in subsequent years.

Slow Christmas trade makes retailers shiver

Wednesday's rise in interest rates was another blow to a retail trade already feeling jittery about prospects for the busiest shopping period of the year.

With sales of winter clothing hit by the warm weather in October and November, and other sectors reporting a slow start to Christmas, stores groups were concerned that the rate rise could damage fragile consumer confidence.

The importance of Christmas to retailers cannot be overstated. Some make 50 per cent of annual turnover in the three months from November to January - with fixed costs spread over the year - up to 90 per cent of annual profits.

Marks and Spencer, the clothing and food retailer, said: "The biggest proportion of our profits are made at Christmas. Our food market share all but doubles in the six weeks to Christmas. It's the time when people traditionally flock to us."

Back in September the outlook for Christmas seemed bright. A survey of stores groups by retail analysts at Morgan Stanley, the US investment bank, found several experiencing strong reactions to their Christmas ranges and gifts - a month earlier than usual. Most believed this showed an underlying improvement in consumer confidence. The next two months, however, were patchy.

Mr Graeme Peacock, chief executive of Bentsalls, the department store group in south-east England, said: "Business in general was a bit flat in October and November. But things picked up a bit again at the start of this month."

Part of the reason for lacklustre sales was the mild weather, causing many consumers to postpone buying

Neil Buckley reports that sales should rise but margins are in doubt

winter coats and woollens, with a knock-on effect on other purchases.

Mr Tim Daniels, president of London's Oxford Street Association, cites one retail chain which sold 30,000 pairs of gloves in a week in November last year, but only 3,000 in the equivalent week this year. Meanwhile, John Lewis Partnership reported sales of winter coats in the third week of November were down from last year in all its 22 department stores, by between 2.5 per cent and 30 per cent.

Clothing shops hope to recoup some lost sales provided there is a cold spell soon. But with Christmas fast approaching many are nervous of being left with excess stock that would have to be marked down to clear in the new year sales - cutting profits.

The temptation is to cut prices now, to encourage sales before Christmas and reduce mark-downs in January. A stroll around London's Bond Street suggests some independent retailers and specialist chains are already doing so. At least one national chain is rumoured to be toying with the idea.

One department store group said: "Our fear is that someone will be panicked into breaking ranks and launching a pre-Christmas sale. Then everyone follows suit and loses the benefit of selling at full margin when demand should be at its highest."

Other sectors are performing better. Toy retailers report

healthy demand. Mr Stephen Woodbridge, managing director of Hamleys, said: "Judging by the supply problems our suppliers are having, toys are selling well everywhere."

John Lewis has reported encouraging sales of some household goods, as well as furnishing accessories and furniture.

The reality is that, in spite of the interest rate rise, this Christmas is almost certain to be better than last. The question is by how much, and how much of the sales will be at full margin.

In today's low-inflation environment no one expects the double-digit sales increases common in the late 1980s, which distorted perceptions of what is a "good" Christmas.

Mr Hugh Clark, trading policy director of the British Retail Consortium, the industry body, said: "In no month in the last two years have retail sales been down year on year, either by value or volume. But they have only been modestly up."

Year-on-year increases in monthly sales have varied between 3.5 per cent and 4.6 per cent this year, and there is no reason why December should mark a strong break with the underlying trend.

John Lewis forecast an increase of 4.7 per cent in total group sales in its second half-year, including the Christmas period. With 17 weeks gone, cumulative sales growth is ahead of its forecast, at 5.8 per cent, in spite of the problems with clothing.

Furthermore, many retailers believe the trend in recent years has been for consumers to start Christmas shopping later. That tendency may have been heightened this year by the fact that Christmas Day is a Sunday, at the end of a full trading week.



Single-minded: some of this season's offerings are competing in a market at its most lucrative time

As a result record companies invest heavily in the Christmas market. Columbia, a subsidiary of the Sony group, recorded its seasonal offering, Mariah Carey's *All I Want For Christmas Is You*, in February. Her single went straight into

the charts at number six last week and might dislodge East 17, the current number one, in the new chart when it is unveiled tomorrow evening.

East 17 is still ahead in William Hill's books, with odds of 6-4, compared with 3-1 for Mar-

iah Carey. But the Power Rangers are steaming up from the rear with odds of 9-8 as they try to follow in Mr Bobby's footsteps as the 1994 gimick ticket.

Alice Rawsthorn

Daf claims creation of 1,200 extra jobs

By John Griffiths

About 1,200 extra jobs have been created within the new businesses which arose out of the crash of Daf, the UK-Dutch truckmaker, in early 1993.

According to Mr David Gill, managing director of Leyland Daf Trucks another 3,600 have been created at component suppliers.

Mr Gill said that of the total 1,500 were in the UK, with the rest on the Continent.

When the British businesses were revived, mainly by management buy-outs led by the Daf receivers, they collectively employed 2,700. This total had risen to 3,300, said Mr Gill, with another 1,000 spread among suppliers.

The UK businesses comprise Leyland Trucks Manufacturing, a management buy-out led by Mr John Giebrist; LDV, another buy-out led by Mr Allen Amey; and the similar ventures Albion Automotive and the distribution company MultiPart.

Mr Gill's company, Leyland Daf Trucks, is the UK marketing subsidiary of Daf itself.

XJ range leads Jaguar's drive to profit

By Kevin Done, Motor Industry Correspondent

Jaguar, the UK luxury carmaker, is expected to return to profit in the last quarter of this year for the first time since 1989.

The company has been in loss since it was taken over by Ford of the US, the world's second biggest vehicle maker, for £1.5bn in late 1989 and has run up total pre-tax losses of £776m from 1989 to 1993.

The company's fortunes were boosted in the last quarter by the autumn launch of its XJ range of luxury saloons, which led to an increase in its whole-sale deliveries to dealers worldwide.

Jaguar registrations in the UK in November rose 41 per cent year-on-year to 552.

Ford is expected to start negotiations with the UK government in January over state aid for its project to build a range of smaller Jaguar sports saloons to compete with cars like the BMW 5 series.

Code-named X300, this car is due for launch in 1996. It would be an addition rather than a replacement to the range, and would more than double

Jaguar output to more than 100,000 a year by 1998/99.

The car is being designed as a derivative of a Ford world car programme under development in the US which is expected to be submitted for approval by the Ford board in March or April next year.

No decision has been made on a production location, but it is expected that the car will be built either at Jaguar's existing locations in Coventry and Bir-

mingham or at one of Ford's US plants in Michigan.

The Ford application for UK selective regional assistance will be based on an analysis of the cost benefits of production in the US versus the UK. The aid sought could total between \$80m and \$100m.

In March the government agreed to pay £9.4m in grant aid to Jaguar to deter Ford from moving the assembly of the next generation Jaguar XJS from the UK to Portugal.

Works of art of this quality and provenance rarely come on the market. What was more unexpected was Lord Cholmondeley's decision to sell. Less than three years ago he relinquished the jewel of Houghton, Holbein's portrait of a lady with a squirrel, and a Gainsborough self portrait to the National Gallery for about £12m.

This should have enabled him to pay off death duties, provide for his sisters, and secure the future of the hall. But Houghton costs a reputed £500,000 a year to keep going.

Lord Cholmondeley looked at various solutions to this persistent financial haemorrhage. Discussions with an American

university to convert it to a study centre came to nothing.

The bright idea of selling the furnishings to the nation for £10m, with the proviso that they remained in situ in the hall, was snubbed by the Treasury, although Lord Cholmondeley hopes to avoid liability on Thursday's windfall by offering other immovable items to the nation in lieu of tax.

A grand auction seemed the easiest answer. Most of the items offered came from the attic - it was reckoned that Sir Philip Sassoon's French furniture did not gel with the William Kent decor. Lord Cholmondeley's pruning could be justified as returning the house to the time of Walpole. When it reopens next year the gaps will be scarcely noticed.

everyone, provided they were extremely rich.

The best endowed international museums, such as the Getty at Malibu, would be attracted by Jean-Francois de Troy's conversation piece of the 1730s, *La Lecture de Moliere*. It sold for a record £3.9m to Mr Simon Dickinson, the dealer, who obviously has a client in mind.

Lovers of the ornate would have gone for the ornate mounted porcelain vases - one pair with gilt lions as handles sold for a record £1.92m, far above Christie's top estimate of \$800,000.

Two pairs of chairs commissioned in the 1720s by Sir Robert Walpole, the first prime minister and creator of Houghton, from William Kent,

the leading designer of the day, sold for £219,500 and \$397,500.

This seemed small beer compared with the \$821,500 paid for a grand pair of George I armchairs, or the £1.54m for a pair of Louis XIV marriage chests made by Boulle. A Rubens oil sketch was bought by Agnew for £1.76m and a pair of gold mounted ewers sold for £1.26m.

With the rooms packed with bidders rather than spectators, with dealers recovering their confidence and voices, and with more than 20 telephone lines pumping in demand from overseas, the art market seemed to have left recession behind.

The marquess secured a record £21.268m from a dispersal from a British stately home, although Christie's will

keep just over 10 per cent.

The result was predictable. Works of art of this quality and provenance rarely come on the market. What was more unexpected was Lord Cholmondeley's decision to sell. Less than three years ago he relinquished the jewel of Houghton, Holbein's portrait of a lady with a squirrel, and a Gainsborough self portrait to the National Gallery for about £12m.

This should have enabled him to pay off death duties, provide for his sisters, and secure the future of the hall. But Houghton costs a reputed £500,000 a year to keep going.

Lord Cholmondeley looked at various solutions to this persistent financial haemorrhage. Discussions with an American

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday December 10 1994

Betting on the upturn

This week, two rather different institutions – the UK government and Orange County in California – paid a heavy price for guessing wrong. A year ago they made essentially the same bet: that growth in the Anglo-American economies would continue to be modest. Underestimating the recovery's strength will not be the forecasting error of winter 1994.

Financial markets are betting that the entire world economy is heading for a year of strong and inflationary growth. Likely as not, that will be wrong too.

Last year the UK chancellor made a judgment call on the strength of the recovery. Mr Clarke decided to stick with a phased increase in value-added tax on fuel, rather than impose it on consumers all at once. It was a sensible enough decision. An economy expected to grow 2.5 per cent after a long recession, needs to be treated gingerly. And the public finances were likely to be scary enough in spring 1995 for tax increases to be easily defended.

As it turned out, Mr Clarke was wrong on both counts. The country prospered from his mistake, but this week the error temporarily cost the exchequer £1bn in voted-down tax revenues. The damage to the government's credibility will be permanent.

Taxpayers in Orange County are facing a \$1.5bn-\$2bn bill for a similar misjudgment by their local authority. Mr Robert Citron, its treasurer, invested on the expectation that the 1993 pattern of steady US growth and stable or falling short-term interest rates would continue through 1994. Unfortunately for him, the economy raced onward. Mr Alan Greenspan raised US interest rates six times, eventually losing the county so much money that on Tuesday it filed for bankruptcy.

Less obvious

Those who remember the past make sure that they do not repeat it. The steep yield curve in markets around the world indicates that investors are discounting strong economic growth, higher inflation and sharp rises in short-term interest rates in 1995. Some of these ingredients are already present in the US and UK. The case for all three, in all of the world's industrialised economies, is less obvious.

Mr Greenspan's November rate increase dispelled some fears that he had fallen behind in the race to slow the economy before inflationary pressures emerge. He improved his hawkish credentials further on Wednesday, testifying to Congress that inflation fears may mean another rise in federal funds rate – now 5.5 per cent – in the months ahead. The US economy has yet to show clear signs of slowing from the real growth rate of roughly 4 per cent recorded over the most of the year. Investors appear to expect US interest rates to rise further. Other things being equal, that is the simplest way to lower the gap between long and short-term interest rates. But markets have to co-operate, by lowering their expectations for inflation. Before Orange County's losses disturbed them, the signs were that bond traders were at last beginning to trust Mr Greenspan's judgment. US 10-year bond rates fell briefly to 7.7 per cent on Tuesday, compared with over 8 per cent three weeks ago.

Same effect

Mr Eddie George of the Bank of England will be hoping to get the same effect out of the half-point rise in UK interest rates which he won from Mr Clarke on Wednesday morning. The gap between regular and index-linked government bonds fell slightly after the rise, but investors are still betting against them achieving their medium-term inflation target.

Rising short-term interest rates to accompany strong real growth seems the most probable recipe for a continued flattening of the yield curve in the US and UK. But it is sensible to expect a similar outcome elsewhere? German money markets took Thursday's higher-than-expected rise in third-quarter west German GDP as another reason to expect higher interest rates from the Bundesbank.

The gap between actual and potential German GDP is currently only about 1 per cent. Companies may well come up against capacity constraints relatively quickly as production picks up, so the Bundesbank can fairly reliably be expected to try to pre-empt inflation in the coming months. The Bank of France, as ever, may be forced to follow the same path, although the French output gap is a good deal larger.

Oddest of all is the current betting on Japan, where short and long-term interest rates are about 2.8 per cent apart, the same as in France and Germany. Although a slow and fragile Japanese recovery is finally under way, prices are still more likely to rise than to fall. Part of the explanation lies in the mistakes of the past: Japanese banks need artificially low interest rates to deal with the loans made when they expected the late 1980s inflationary boom to continue. It will be governments, not investors, who suffer if today's high nominal bond rates turn out to have overstated inflation. But if this week taught anything, it is that someone pays for surprises, even a pleasant one like strong, non-inflationary growth.

At one stroke, the rules changed this week for the merchant banks and stockbrokers of the City of London. S.G. Warburg, the UK institution with the most serious ambitions to compete alongside the dominant US firms as a global investment bank, abandoned its independence. It announced that it intends to merge with the US bank Morgan Stanley to create a strong global force. If Britain's flagship investment bank makes such a decision, what hope is there for the others?

The City of London, with its ingrained habits and rules for capital raising that encourage the continued separation of merchant banks and stockbrokers, has outlasted many farewells before. Institutions such as Cazenove & Co, the stockbroker, and Schroders, the old-established merchant bank, were not given long to live in their traditional form when the City was deregulated in the 1986 Big Bang. They are still there, arguably more successful than ever in their old incarnations.

Yet the shock of Warburg's decision to merge was still being absorbed yesterday, as bankers and brokers pondered whether it finally marks the demise of the old City. Many believe that two waves of rationalisation will combine to sweep away the past. One will be the integration of remaining merchant banks and brokers into the combined investment banks of the American model. The other will be a renewed push by foreign banks to snap up the remaining brokers.

"We are coming to the second stage of Big Bang now. Warburg has started a handwagon rolling, and it will roll to the end," says the chairman of one broker.

"It is difficult to conclude anything other than the process of rationalisation is going to go further," says the head of a merchant bank.

Bankers question the future of brokers such as Cazenove and Smith New Court that are not owned by merchant banks, as well as medium-tier merchant banks like Kleinwort Benson and Barings.

The City itself is unlikely to be damaged by Warburg's move. Indeed the merger, if anything, will reinforce London's position as Europe's financial centre. Morgan Stanley has already built up a substantial operation in London since it opened an office in 1977, with 2,000 of its 2,300 European employees based at its Canary Wharf office in the former docklands area. Yet the decision to merge with Warburg means a recognition that it needs to reinforce its London base even more strongly.

The move follows the decision by Deutsche Bank, the largest German bank, to base investment banking operations in London and partially integrate its operations with those of Morgan Grenfell, the UK merchant bank it acquired five years ago. Despite the claim of Frankfurt, many European banks have now recognised London's lead in equity raising and in trading new products such as derivatives – instruments that derive their value from that of an underlying asset or index.

"It is good for the City because it reinforces the moves by a number of people to commit capital and people to London. From that point of view, humph," says one banker.

This means that the evolving global investment banks are increasingly operating out of three centres: New York, London and Tokyo. The leading players are the US banks – known as "bulge bracket" firms – such as Goldman

The emergence of global investment banks leaves a role for smaller City institutions, say John Gapper and Norma Cohen

Not yet the death knell



Sachs and Merrill Lynch, which have largely built up their operations in London and Asian centres such as Hong Kong organically. Other emerging competitors are large commercial banks such as Deutsche Bank and the big three Swiss banks.

As London has grown into a more international centre, a presence in other markets for UK banks has become more important. In the first 11 months of this year, £9.7bn of shares from abroad were traded in London, compared to £48.1bn of UK and Irish equities. "This merger symbolises an international financial services industry based in one country, but with a smaller domestic business," says Mr Richard Weir, director general of the Institutional Fund Managers Association.

The banks that have adapted best to compete internationally are those which have integrated stockbroking with traditional merchant banking, as Warburg did at the time of the Big Bang. It bought two stockbrokers and combined them with a jobber – the firms that used to buy and sell shares wholesale – to create a single investment bank. After that, it started a gradual expansion in Asia and the US, opening 39 operations in 23 countries.

Other UK firms have become international investment banks, but on a more modest scale than Warburg. Kleinwort Benson has capitalised on its research skills in the electricity industry to help it win mandates for privatisations around the world. It has managed to sell these shares in the US, despite a relatively modest sales staff of

around 20. Barclays de Zoete Wedd, the investment banking arm of Barclays Bank, also has global ambitions.

Yet despite all the pressures on the medium-sized banks and brokers of the City, many have survived remarkably well in the eight years since Big Bang. There is still a significant number of traditional merchant banks – which concentrate on providing advice. Some firms have stuck to their roots, but tried to expand overseas. Examples are Robert Fleming, which has a

"We are coming to the second stage of Big Bang. Warburg has started a handwagon rolling, and it will roll to the end"

partnership in Asia with Jardine Matheson, and Barings, which also has a strong Asia business.

"Many companies are suspicious of the conflicts of interest that can arise at an integrated bank that offers both broking and advice," says one banker. As well as using a merchant bank for advice on matters such as takeovers of other companies, many companies also value having an independent broker of their shares. This allows them to get an independent view of the pricing of share issues. The firm which has gained most strongly from this conservatism is Cazenove. Even more important for the survival of traditional firms have been the rules governing the raising of equity capital in London, which are out of line with practice in the US and continental Europe. The most significant of these is pre-emptive rights – rules requiring companies wishing to raise equity capital to offer new shares to their existing shareholders first. This means that UK companies have to use UK brokers with good access to investing institutions such as pension funds to distribute new shares.

The fees for these rights issues has remained impervious to competition: all advisers and brokers earn fees of 1% and 1/2 per cent of the value of a rights issue regardless of the quality of the issuer, or prevailing market conditions. These fixed fees have helped to cushion the business of the niche firms that specialise in them, and there has been little need for firms that excel at UK corporate broking to build up an extensive distribution network abroad.

The Warburg-Morgan Stanley merger is likely to put more pressure on some of London's traditions. Warburg has already adopted US methods of canvassing institutional investors to fix the price of an equity issue – known as "book-building" – in some international issues. Beyond this, regulators such as the Office of Fair Trading and the Securities and Investments Board are starting to question whether some London traditions are fair, further encouraging a shift of methods.

Moreover, the owners of UK shares are becoming more interna-

tional. Recent figures show that the fastest-growing category of shareholder on the UK market is foreign shareholders, particularly from the US. This may encourage companies to hire advisers who can not only help them distribute shares to their traditional UK shareholders, but widen their investor base abroad. Firms with an exclusively or largely domestic orientation may have more difficulty getting business.

But the squeeze may be more drawn-out than some suggested in the wake of the Warburg move. UK companies show enormous loyalty towards advisers even when their broker or merchant bank has been acquired by a foreign bank. One example was the former broker Phillips & Drew, which was acquired by Union Bank of Switzerland. "I have always been struck by the way their clients stick with them after the acquisition," says an executive at a rival investment bank.

Furthermore, many of the medium-sized banks and brokers are under less pressure than Warburg because they do not have the expensive international network. Warburg made only a £5.5m profit on investment banking operations in the first half of the year because financial markets were weak and it could not pull in its horns as easily as some of the smaller, nimble players. It also had to operate in many developed countries where margins have been squeezed by competition.

Smaller firms that do not have to operate in all global centres do not need such high costs. This means that they may be able to ride out the current weakness in markets and wait for an expansion in better times. Many medium-sized merchant banks have grown through a range of niche operations such as trading the debt of less developed countries rather than competing head-on with US firms. They can shed or grow these operations depending on how profitable they are.

"It is not necessarily size and size alone that makes you successful in this business. You can operate with a few people producing clever ideas instead of having a massive overhead," says the head of one merchant bank. Furthermore, a smaller merchant bank may be able to offer services to small and medium-sized companies that do not want to pay the large fees associated with US firms. Such fees are required to support large numbers of employees and high salaries.

These trends may mean that instead of heralding the end for many of the merchant banks and brokers of the old City, the Warburg merger may simply mean a more stratified market. At the top will be global players such as Warburg-Morgan Stanley, competing across the world with the likes of Goldman Sachs. But smaller UK firms will be able to survive by offering a distinctive approach in the UK market, combined with careful growth into more profitable overseas markets.

"We are all scratching our heads and trying to work out what it means," said a banker yesterday. "I would be surprised if some of the firms are around in a few years time, but I think the process could take longer than people think." The end of the old ways of the City of London has been predicted several times before. Some of its traditions may not be able to endure forever, but the Warburg-Morgan Stanley merger is not yet the death knell of its traditional firms.

Conservative Rebels in the News

The whipless wonders

It had been a hard slog. But the British government's business managers reckoned they had pulled it off.

Minutes before Tuesday's crucial House of Commons vote on value added tax, one whip thought that the government would win by two votes. He believed chancellor Kenneth Clarke's last-gasp concessions, offering pensioners an extra £100m of compensation for the proposed increase from 8 to 17.5 per cent in the rate of VAT on domestic fuel, had snatched victory from the jaws of defeat. But he reckoned without the whipless wonders.

These are the Tory MPs who were suspended from the parliamentary party, with one resigning voluntarily, after a vote last week on the controversial European Union finance bill. Eight of the nine extended the rebellion to VAT – voting against the government or abstaining. Their defiance cost the government to defeat by eight votes, and blew a £1.5bn hole in Mr Clarke's Budget arithmetic.

The rebels appear to have decided to defy the government at a secret meeting attended by eight of them during the VAT debate. This element of co-ordination has seen them labelled as a party within a party. In numbers they are on a par with the Ulster Unionists which, with nine MPs, is the fourth largest party in the House of Commons.

But as a force, they have little in common other than their hardline Euroscepticism. They are a disparate group.

● Sir Teddy Taylor is an engaging former Glasgow Herald journalist, with an encyclopaedic knowledge of EU spending, if not of some more pedestrian concerns (he once told a Sunday newspaper that he thought

Ikea, the enormously successful Swedish furniture retailer, was a cocktail).

● Mrs Teresa Gorman is Westminster's vivacious version of Essex Woman – the brash and gaudy stereotype.

● Mr Richard Shepherd is painfully earnest.

● Mr Michael Carttiss is a ferociously independent East Anglian labourer's son with a complexion as ruddy as a sugar beet farmer's.

● Mr John Wilkinson, a former flying instructor, is energetic, but intense.

● Mr Christopher Gail is the soft-spoken chairman of a family sausage-making company.

● Mr Tony Marlow is a stocky parliamentary thug, who exudes great personal animosity towards Mr Major.

● Mr Nicholas Budge is a slight, Cambridge-educated barrister with a devastatingly dry wit, who, alone of the nine, supported the government in Tuesday's vote; and

● Sir Richard Body is a maverick agriculture specialist – reputedly the original Old Muckspreader in Private Eye – who supports the government in the Europe vote, but then resigned from the parliamentary party.

Westminster wags have suggested that these MPs should perhaps be given a room to set up their own whips' office, if they are going to behave like a separate party.

But the group is not so much a party within a party as a minority within a minority. By choosing to defy Prime Minister John Major's decision to make the European vote an issue of confidence, the rebels confirmed that the 30 or so hard-core Eurosceptics, who came so close to blocking the UK's ratification of the Maastricht treaty,



have splintered into three factions.

The first group decided months ago not to make trouble over the EU finance bill in the interests of party unity. The second fell into line when the confidence card was played. But the remaining Group of Nine apparently had such an aversion to earmarking more funds for the EU budget that it was prepared to risk triggering a general election.

This recklessness risks undermining not only Mr Major's leadership, which the rebels might regard as a bonus, but also the Tory party's prospects of winning the next general election, due by mid-1997.

It has reinforced the impression, already forming after last month's climbdown on Post Office privatisation, that ministers are powerless to push through their agenda.

Even with the support of the rebels, Mr Major can muster an overall majority of just 14. When the opposition unites, it therefore takes just eight Tory troublemakers to disrupt the government's plans. Backbench-

ers are becoming adept at exploiting this. One minister this week referred to this state of affairs as "government by clique".

The rebels' actions have also caused division within the party over the best way of handling the group. Rightwingers have called on Mr Major to readmit the nine to the parliamentary party as quickly as possible.

But the whips' office is sore at what it sees as the rebels' vindictiveness in signalling that they would support the government and then changing their minds. "They could have started bridge-building on Tuesday," snapped one business manager.

The rebels seem to be taking the view that being ejected from the parliamentary party leaves them free to judge issues on their merits. But the party leadership has indicated that they must show clear and consistent support for the government in order to be accepted back.

For the moment then, there is stalemate. This might not matter because the government's 1994-95 legislative programme seems to contain little more that is controversial – with the possible exception of the parts of the finance bill implementing the Budget.

Meanwhile, there is some confusion over what the rebels are trying to achieve. Mr Marlow says the group is motivated by the belief that the party cannot be re-elected without a policy on Europe with which "people can feel at ease".

But the Tory party's centre of gravity on Europe appears to be shifting. If Mr Major's recent hint at a possible referendum on European integration was hardened into a commitment, it would do much to allay the misgivings of the 100 or so mainstream Tory Eurosceptics.

If the Group of Nine did not fall into line at that point, they would be widely dismissed as rebels without a cause.

David Owen

GUINNESS FLIGHT

TEMPLE BAR EMERGING COMPANIES FUND

FOCUS ON UK EMERGING COMPANIES

EXCELLENT PERFORMANCE
"Temple Bar Emerging Companies currently records one of the best cumulative 5 year performances for funds in the UK Smaller Companies sector"
Unit Trust Analysts Monthly Guide, July 1994

Pre year performance: 55.6%
Source: Guinness, offer to offer, no income reinvested to 30.11.94.

QUARTERLY PERFORMANCE	Temple Bar Emerging Companies Fund	Guinness Flight
1	1	1
2	1	1
3	1	1
4	1	1
5	1	1
6	1	1
7	1	1
8	1	1
9	1	1
10	1	1

*Quartile position within Morningstar UK Smaller Companies sector offer to offer, no income reinvested to 30.11.94.

TIMELY OPPORTUNITY
In periods of economic growth, smaller companies often enjoy above average growth. With the UK economic recovery now well underway, we believe that the prospects for smaller companies are excellent.

PEP OPTION - PRICED FOR VALUE
The Temple Bar Emerging Companies Fund, an authorised unit trust, is available as a PEP with a low 2% initial charge and no withdrawal fee after three years.
"To find out more, please fill in the coupon below, call our Investor Services Department on 0171-522 2111, or contact your financial adviser."

Investor Services Department, Guinness Flight Fund Managers Limited,
5 Cannon Street, London SE1 2NE. Tel: 0171-522 2111. Fax: 0171-522 3001.
Please send me details of the Temple Bar Emerging Companies Fund and PEP.
Name: _____ Initials: _____
Address: _____
Postcode: _____

*The following withdrawal charges are also applied: 2% in first year, 2% in second year and 1% in third year, thereafter free of charge. PEP is not guaranteed. Also, deduction of charges and expenses means you may not get back the amount you invested. Administered by Guinness Flight Global Asset Management Limited, a member of BMO and Lazard.

صدا من الاصل

Will he, won't he?

If Jacques Delors decides to run in the French presidential election, he would start as favourite, says David Buchan



There would be no doubt that Jacques Delors would be the favourite to win the French presidential election if he decided to run. He would start as favourite, says David Buchan. The odds would be that no leftwing would make it into the final run-off - for the first time since 1969. That would hand victory to a conservative - but probably at an awesome cost to the unity of the RPR coalition party. Instead of attempting to kiss and make up after the first round vote, Mr Balladur and Mr Chirac would stay it out until the bitter end, possibly breaking up their RPR party in the process.

In the past, Mr Balladur has publicly urged a merger of his own party with the centrist UDF federation to create a unified centre-right movement similar to those in the rest of Europe. He has mentioned this at the moment, because he knows it deeply disturbs the RPR. But if he were to win, he might well try to unite the pro-European party of the RPR with the UDF, leaving behind an anti-European coalition rump probably led by Mr Ginie.

Whichever way Mr Delors jumps, Europe looks like being the big issue in the French presidential campaign. It may prove the rock on which the French right breaks up, and reforms itself.

A No from Mr Delors would devastate the Socialist party, which has no other credible standard-bearer. Mr Michel Rocard was ousted as leader last June when he gained the party only 14.5 per cent of votes in the European Parliament elections. He will not return to the fray, even if the party wanted him.

The man who replaced him as party leader, Mr Henri Emmanuelli, is too leftwing to appeal to voters in the centre. He is, in any case, due to stand trial in March for alleged illicit campaign funding.

Mr Pierre Mauroy, mayor of Lille and President Mitterrand's first prime minister, is well-regarded in the party but not by the electorate at large. Mr Jack Lang, the flamboyant former education and culture minister, has ambitions, but no experience outside the ministerial portfolios he once held.

Ironically, Mr Delors' own daughter, Mrs Martine Aubry, who was the last Socialist labour minister, is perhaps the best of the younger crop of Socialists. However, her electoral hopes might suffer if there was a backlash among voters against her father's decision not to stand.

The odds would be that no leftwing would make it into the final run-off - for the first time since 1969. That would hand victory to a conservative - but probably at an awesome cost to the unity of the RPR coalition party. Instead of attempting to kiss and make up after the first round vote, Mr Balladur and Mr Chirac would stay it out until the bitter end, possibly breaking up their RPR party in the process.

In the past, Mr Balladur has publicly urged a merger of his own party with the centrist UDF federation to create a unified centre-right movement similar to those in the rest of Europe. He has mentioned this at the moment, because he knows it deeply disturbs the RPR. But if he were to win, he might well try to unite the pro-European party of the RPR with the UDF, leaving behind an anti-European coalition rump probably led by Mr Ginie.

Whichever way Mr Delors jumps, Europe looks like being the big issue in the French presidential campaign. It may prove the rock on which the French right breaks up, and reforms itself.

Neil Buckley on this year's children's Christmas present phenomenon - Power Rangers

Move over, mutant turtles

Four years ago, it was pizza-loving turtles that lived in sewers. This year it is US high-school kids who draw on the spirit of dinosaurs to metamorphose into karate-kicking superheroes and fight evil. The fickle and unpredictable nature of children's taste makes selling toys one of the most difficult branches of retailing. Few in the trade - including the Japanese manufacturer, Bandai - predicted that Mighty Morphin Power Rangers, dolls based on characters from a children's television series, would become the hit of 1994.

But the toys have not merely sold well - as did Tracy Island, a replica of the headquarters of Thunderbirds from the revived 1960s sci-fi puppet series, last Christmas. They have become a phenomenon of the ilk of Teenage Mutant Ninja Turtles in 1990, launched on the back of a successful film. Transformers, the futuristic cars and aircraft that converted into robots, in 1986; and characters from the film Star Wars in the 1970s.

Indeed, Bandai claims they are likely to be the best-selling toys ever in a single Christmas, having sold 9m in the UK already - against 3m Ninja Turtles in 1990. Bandai, one of Japan's largest toy manufacturers, does not yet know how many Rangers have sold around the world this Christmas. But retail experts believe the dolls will beat the original estimate of ¥30bn (£190m) sales in the US and Europe, pushing the Bandai group's pre-tax profits for the year to March 1995 above current forecasts of ¥13.5bn - compared with ¥5.4bn last year.

The toys range from 10cm models of the Rangers for £3.99 each to 22cm-30cm "zords" - the robot dinosaurs into which the Rangers "morph" when they have to fight particularly tricky enemies - at £22-25. "They really are a phenomenon for this year," says Stephen Woodbridge, managing director of Hamleys, the toyshop in London's Regent Street. "They are one of those things where you just don't know how many you could sell, if only you could get the stock."

Getting the stock is proving a problem. Parents have been queuing for hours outside Toys R Us and Argos waiting for deliveries only to find there are not enough to go round. Pirate copies have emerged to meet the demand. Bandai has even been forced to run advertisements apologising for the short supply. The company admits that it underestimated demand. But once interest in the toys started to become apparent in the autumn, its ability to respond was constrained by European Union import quotas on toys from China, where most of the toys were originally produced. Bandai was forced to switch production elsewhere: some 33 factories across Taiwan, Thailand, Japan, Hong Kong and Mexico, as well as China, are now

queuing from the original Japanese programmes. In spite of its popularity, the television series has aroused controversy. A Norwegian channel took it off the air following complaints of copyright violation by children. In the UK, a four-year-old boy from Bristol was taken to hospital with a split kidney after a friend kicked him in imitation of a Ranger. However, the controversy has had little effect on the sales of the toys.

Just why Power Rangers have taken such a hold on childish imaginations is a mystery. "We don't think anyone really knows why they're so popular," says Bandai. It suggests the TV series combines a number of elements that appeal to children: martial arts, science fiction, a battle between good and evil, and dinosaurs. Also, two of the five Rangers are girls, so they appeal to both sexes.

Bandai also detects a trend away from computer games back towards toys such as dolls, which require more imagination on the part of children. That view is supported by the resurgence this year of old favourites such as Barbie dolls and Action Man.

This is a trend the company hopes to gain from further, thanks to the "evolving soap-opera" format of the *Power Rangers* series. New characters are already being introduced in the US, which could be the best-sellers of next Christmas.

However, whatever plans and marketing initiatives the toy companies come up with, ultimately they have to win approval from the toughest judges of all - the children.



Power to Power Rangers lines with action

Political change has trailed social shifts, says John Murray Brown

New tune for Irish reel

Ireland's Fianna Fail, so long seen as the natural party of government, appears to be losing its grip on power.

A political scandal involving the party has triggered the break-up of the government that it led, and efforts to rebuild the coalition, with the Labour party have failed.

Last night, Fine Gael, the opposition party, was locked in discussions with Labour over a new administration. But in the absence of a strong alternative to Fianna Fail, the chance of stable government in Dublin looks remote.

The political crisis in Ireland has been aggravated by the painful adjustment of a conservative, rural country to the new reality of an urbanised existence, underpinned by the sudden advent of prosperity from membership of the European Union. While Irish society has been transformed, the political system has been agonisingly slow to change.

The two main political parties, Fianna Fail and Fine Gael, are almost equally conservative - their only serious distinguishing factor is that they were on opposite sides during the Irish civil war. Fianna Fail tends to be more rural and republican in its support and instincts, while the traditional Fine Gael "blue shirts" are the small tradesmen and middle classes of the Irish countryside. The Labour party, condemned for years to a minority role on the opposition benches, was the only representative of secular European left-right politics. Today Dublin and its sub-

urbs contain more than a third of the country's 3.5m population, after rapid urbanisation that has also caused an upheaval in the traditional political divide. It is an upheaval that could see Fianna Fail and Fine Gael forced into a conservative coalition, a prospect that causes horror to party traditionalists.

Above all, it amounts to a seismic shock for Fianna Fail, which has regarded itself as the natural party of government since it was founded by Eamon de Valera in the 1920s.

The party is unashamedly populist, with an extensive grass-roots organisation. During its decades in power, it has used political patronage to reward supporters with civil service and other appointments.

The most recent crisis was triggered when Mr Albert Reynolds, the Taoiseach or prime minister, overruled the objections of his Labour coalition partners to appoint Mr Harry Whelehan, the attorney general, as the Irish High Court president.

Labour withdrew from the government and Mr Reynolds resigned as leader of Fianna Fail. But efforts by Mr Bertie Ahern, his successor, to re-establish the coalition foundered this week when new revelations emerged about the extent to which parliament had been misled over the appointment.

The political turmoil that has resulted has launched an impassioned debate about off-

cial propriety, and cronyism in public appointments. "They've always controlled all the jobs," says one Labour member of parliament, who compares Ireland to the corrupt patronage of Latin American countries.

The cause of Mr Whelehan's downfall - his failure to act on a UK extradition warrant for a paedophile Catholic priest - has also raised questions about the role of the church which still exerts an influence over moral and social questions such as education, divorce and abortion. With new charges against the clergy revealed by radio stations and newspapers almost every day, the church's failure to deal with errant priests has shocked public opinion in the Republic.

An alternative coalition may be hard to construct. Fine Gael, the main opposition party, could form a government if it were able to persuade the Labour party and one or both of the minor parties to join it.

But while Labour has entered coalitions with Fine Gael before, the latter has adopted a much more free market approach to economic policy that may prove hard for Labour to endorse. There is also bad feeling between the leaders of the two parties: relations between Mr John Bruton of Fine Gael and Labour's Mr Dick Spring were soured when Labour entered government with Fianna Fail following the

1992 election. Last night, a three-party coalition seemed the most likely arrangement, linking Fine Gael and Labour and one of the two smaller parties, Democratic Left and Progressive Democrats. The smaller parties are resisting pressure to enter a four-party coalition, that would reduce their ability to demand concessions. Democratic Left is understood to be the favoured choice of Labour. This left-leaning party is the successor to the Official IRA, from which Provisional IRA split to pursue the armed struggle in 1970. The party would have natural affinities with Labour on welfare questions, and would be more in tune on labour issues.

The alternative is the right-wing Progressive Democrats, now led by Ms Mary Harney. A breakaway from Fianna Fail, the PDs would prove more difficult partners for Labour because they are more right-wing than Fine Gael.

If a new coalition cannot be formed, the only alternative is a general election, which Labour in particular is concerned to avoid. The party's strategists believe the party would be hard-pressed to repeat its 1992 success, when the party won 35 seats.

An election would also bring a protracted period of political uncertainty to the peace process in Northern Ireland. As UK officials began exploratory talks in Belfast yesterday with Sinn Féin, the IRA's political wing, the absence of a stable government in Dublin could hold up progress.

Even if there is an election, the staff of the European Commission is roughly the same as that of the UK Department of Transport. For Norwegians, paying CAP prices for their food would indeed be a privilege. One of the issues during the recent referendum campaign was the risk of many Norwegians (on the No side) to continue to provide price support for the agricultural commodities produced in Norway far exceeding the levels paid by the CAP, resulting in even higher food prices than those to which EU citizens are accustomed.

As for the economic blight caused by a fixed exchange rate, the catastrophic collapse of Norway's banking and insurance sector, in which Norway's leading commercial banks had to be bailed out by the government, is surely an argument for more, rather than less, external financial discipline.

Finally, as a result of the referendum and, consequently, of Norway's continued membership of the rump European Economic Area (it is hard to

think the previously unthinkable that a conservative coalition may be inevitable. It would mean both Fine Gael and Fianna Fail abandoning their old civil war prejudices. It would also require Fianna Fail, above all, undergoing a thorough cleansing of its secretive, anti-democratic ways. But a transformation of southern Irish politics from sterile old republican rivalries is as much a part of the peace process as negotiations between unionists and republicans in the north.

there is no guarantee that this will resolve the impasse. The opinion polls suggest that no party is likely to emerge with an overall parliamentary majority. Ireland would be facing exactly the same difficulties over the formation of a coalition in a month's time. Whatever the outcome of the current negotiations, Ireland is moving slowly and painfully towards a more traditional left-right political divide. Strategic thinkers within the party, like Mr Maurice Manning of Fine Gael, are beginning to

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Irish party politics: (clockwise from top left) John Bruton, Bertie Ahern, Dick Spring and Mary Harney

Lost customers kept hanging on the telephone

From Mark Deady. Sir, In your article "Ring the tills" (December 8) you comment that one in five customers phoning shops for information failed to get through at the first attempt.

This company has just carried out a survey of more than 5,000 UK businesses, which revealed that 88 per cent failed to answer their phones. This implies that one in three businesses around the country are unwittingly turning away potential customers every day of the week.

However, the survey revealed that not all businesses are unhelpful - 36 per cent manage to answer their phones within two or three rings. More impressive yet was the fact that 43 per cent pick up their phones within just one ring.

The telephone is often the first point of contact between supplier and customer, and companies should make sure their staff are trained properly to answer calls promptly and politely. Mark Deady, Thomson Directories Ltd, Thomson House, 296 Farnborough Road, Farnborough, Hampshire GU14 1NU

are unhelpful - 36 per cent manage to answer their phones within two or three rings. More impressive yet was the fact that 43 per cent pick up their phones within just one ring.

The telephone is often the first point of contact between supplier and customer, and companies should make sure their staff are trained properly to answer calls promptly and politely. Mark Deady, Thomson Directories Ltd, Thomson House, 296 Farnborough Road, Farnborough, Hampshire GU14 1NU

are unhelpful - 36 per cent manage to answer their phones within two or three rings. More impressive yet was the fact that 43 per cent pick up their phones within just one ring.

The telephone is often the first point of contact between supplier and customer, and companies should make sure their staff are trained properly to answer calls promptly and politely. Mark Deady, Thomson Directories Ltd, Thomson House, 296 Farnborough Road, Farnborough, Hampshire GU14 1NU

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Pity the Norwegians, still out in the cold

From Mrs Lio-Ellen Kennedy. Sir, As an ex-Norwegian, dismayed and frustrated by my compatriots' capacity to make the same mistake twice at intervals of only 20 years, I would like to clarify some of the misconceptions expressed by our neighbour (Letters, December 6).

As for the bloated bureaucracy, the total number of officials, taking all the EU institutions together, is rather less than half of the number of employees of the commune of Oslo. To take another example,

the staff of the European Commission is roughly the same as that of the UK Department of Transport.

For Norwegians, paying CAP prices for their food would indeed be a privilege. One of the issues during the recent referendum campaign was the risk of many Norwegians (on the No side) to continue to provide price support for the agricultural commodities produced in Norway far exceeding the levels paid by the CAP, resulting in even higher food prices than those to which EU citizens are accustomed.

As for the economic blight caused by a fixed exchange rate, the catastrophic collapse of Norway's banking and insurance sector, in which Norway's leading commercial banks had to be bailed out by the government, is surely an argument for more, rather than less, external financial discipline.

Finally, as a result of the referendum and, consequently, of Norway's continued membership of the rump European Economic Area (it is hard to

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

Stakkars Norge! (Poor Norway!)
Lio-Ellen Kennedy, 18 Krummeck Oicht, L-1473 Schœnfeld, Luxembourg

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

Stakkars Norge! (Poor Norway!)
Lio-Ellen Kennedy, 18 Krummeck Oicht, L-1473 Schœnfeld, Luxembourg

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

Stakkars Norge! (Poor Norway!)
Lio-Ellen Kennedy, 18 Krummeck Oicht, L-1473 Schœnfeld, Luxembourg

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

Stakkars Norge! (Poor Norway!)
Lio-Ellen Kennedy, 18 Krummeck Oicht, L-1473 Schœnfeld, Luxembourg

imagine what interests are shared by Norway, Iceland and Liechtenstein), crucial decisions relating to the Norwegian economy will now be taken by bodies in Brussels, Strasbourg and Frankfurt, in which its voice will not be heard and over whose implementation it will have not the slightest influence.

Death duties paid in full

From Mr A.D. Foreman. Sir, "Funeral wishes ignored" (Q&A: December 3/4) muddled over the funeral directors' dilemma as to whether the deceased's instructions, or those of his executors, should be followed concerning the funeral arrangements and church service.

This brings to mind an aggrieved taxpayer's instructions that he should be cremated and his ashes sent to the Collector of Taxes with a note: "Now you've had the lot." A.D. Foreman, partner, Parrell Kerr Forster, New Garden House, 78 Hatton Garden, London EC1N 8JA

In train for better value today than in railways' golden age

From Mr G.S. Guest. Sir, I am no defender of British Rail but I recently came across a copy of Punch, dated May 19 1987, in which the LMS Railway made the proud boast that the cost of its third-class travel was one old penny

(0.4166 new pence) a mile. I decided to put this to the test against the £19.50 I recently paid for a day return from Bristol to Turquay (196 miles there and back).

In 1987 this journey would have cost me 16 shillings and 4 pence (81.66p). On this basis, the journey price has gone up by a factor of 23.28.

Taking an average take-home wage of £2 a week in 1987 and of £150 today, wages have gone up by a factor of 50. If anyone can prove oth-

erwise, I will withdraw my assertion that rail travel today represents better value than it did in 1987.

G.S. Guest, 30 Longmead Avenue, Bournemouth, Dorset, Bournemouth B57 8QD

erwise, I will withdraw my assertion that rail travel today represents better value than it did in 1987.

Horrors of a dog's life in Vietnamese kitchens

From Mrs Brenda Sutters. Sir, I am not in the habit of writing to papers but have been moved to do so by "Letter from Hanoi" (December 3/4).

I wonder if Victor Mallet made any inquiries as to how the dogs that he so much enjoyed eating were killed. In many parts of south-east Asia they are killed by slow strangulation or are beaten to death, as this is supposed to make the meat more tender. I am not a vegetarian, and have just enjoyed a meal of roast pork, but I am confident

that the pig was killed quickly and painlessly and it certainly was not kept in a cage in my kitchen while another pig was being cooked.

I suggest that Mallet makes a donation to the International Fund for Animal Welfare, which is working hard in south-east Asia to prevent the torture of dogs and cats before they are eaten. Brenda Sutters, 24 Burywick, Harpenden, Hertfordshire, AL5 2AH

Slowcoaches begin in Europe

From Greg Perry. Sir, Many companies will welcome the proposal by the European commissioner, Mr Ramon Valls D'Archirac, to introduce laws giving businesses the right to charge interest on late payments of debt ("Brussels' answer to slow payers", December 1).

However, the European Commission might like to consider similar action to deal with late payment of EU grants to the large number of organisations (many non-profit making) which are critically dependent on such funding.

The Commission and the EU member states should set an example by putting their own house in order first.

Greg Perry, managing director, Westminster Europe, 1040 Brussels

COMPANY NEWS: UK

Increasing turnover and operating margins please City

GEC advances 6% to £378m

By Bernard Gray, Defence Correspondent

General Electric Company, the defence and electronics company, yesterday reported a 6 per cent increase in interim pre-tax profit from £360m to £378m on turnover up by 10 per cent to £4.8bn, against £4.38bn.

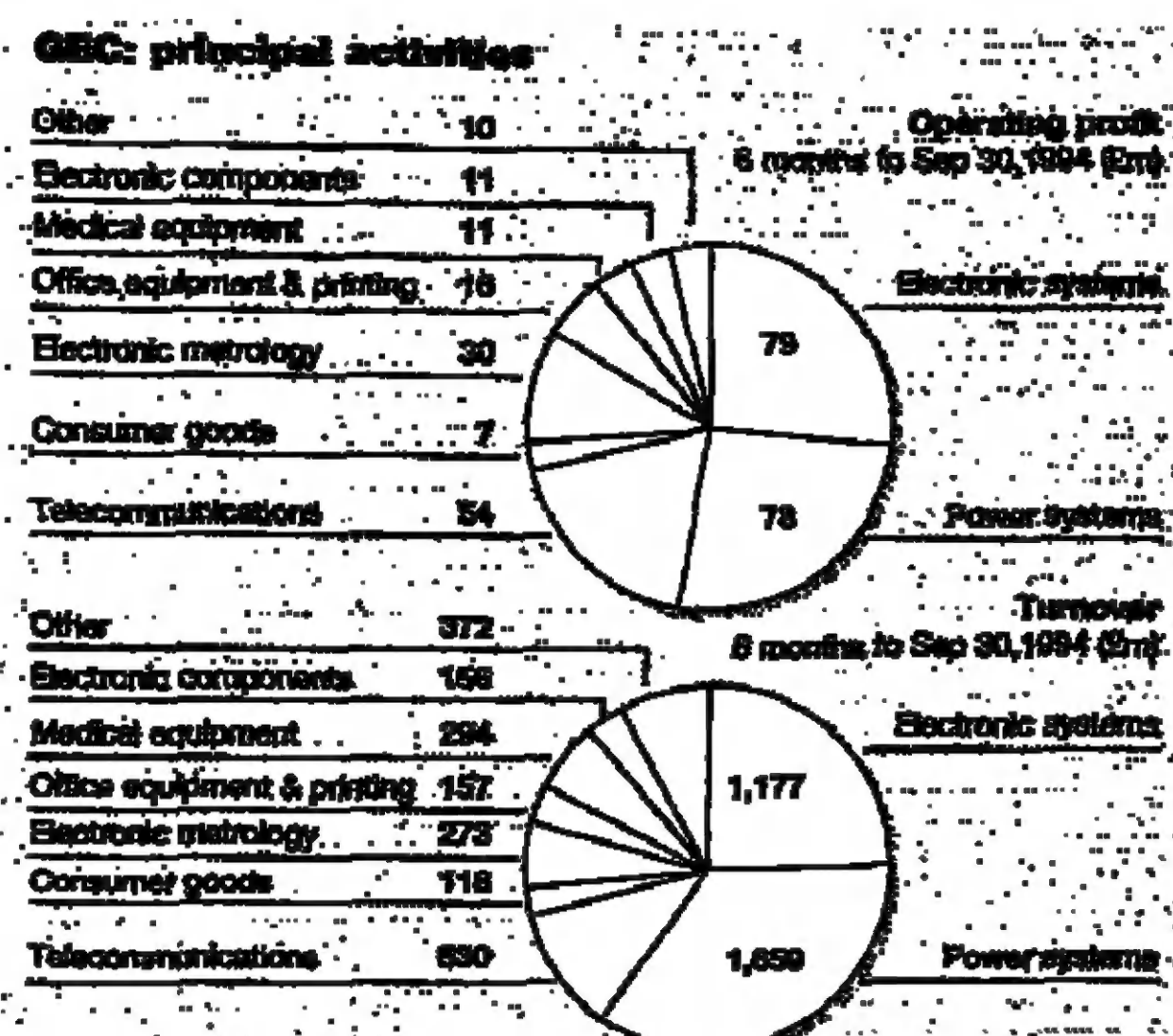
The interim dividend is increased to 2.5p (2.5p) from earnings per share of 8.8p (8.2p).

However, the profits increase for the six months to September 30 masked a much better performance from most operating companies.

The City was pleased that turnover and operating margins were increasing, and that the company was not reliant on cost-cutting for improved profits.

Lord Weinstock, managing director, also said that the company would continue to pursue its bid for VSEL, the submarine maker, with the Monopolies and Mergers Commission.

Analysts said that the profits showed the productivity benefits of previous rationalisation were feeding through now that the US and UK economies were recovering. Operating profits



were up by 14 per cent at £260m (£260m) and only a decline in interest income from £81m to £70m held back the pre-tax improvement.

There was a particularly strong performance from Gilbarco, the US petrol pumps business, and profits in its division doubled to £30m. A mixture of underlying growth in the US petrol market and changes in environmental leg-

islation, forcing the replacement of old equipment, were responsible.

GPT, the telecommunications joint venture with Siemens, also showed improved profits on last year's depressed levels. Analysts expect figures for the year to be modestly ahead of the £120m achieved last time.

Equipment orders from cable tv companies expanding into

the UK market, along with software orders for BT and improved exports were responsible for the improvement.

GEC Alsthon, the power and transport joint venture, saw turnover grow by 22 per cent but operating profits were only up by 8 per cent. GEC's forward order book was down from £18bn to £12bn a year ago, largely due to a fall in GEC Alsthon's orders.

GEC, however, attributed the fall to timing differences and said that the figure took no account of the Korean high-speed train contract which had since been signed, or of the deal announced this week to supply trains and maintenance for the Northern underground line in London.

The company expects its order book to return to last year's levels by the end of March.

GEC-Marconi, the defence and electronics subsidiary, had flat profits on a maintained turnover. Lord Weinstock said that conditions remained very tough in defence. However, profits should improve once the production phase of Eurofighter's radar and flight control systems come on stream.

See Lex

Kalon shares fall after profits warning

By Richard Wolfe

Kalon, the decorative paints group, yesterday warned that full-year profits would disappoint City expectations after weak sales in the UK retail market.

The shares fell 18p to 123p yesterday as the company said pre-tax profits for 1994 were expected to be about £18.5m, compared with forecasts of £22m.

Mr Mike Hennessy, chief executive, said sales and prices in the UK paint industry had deteriorated in the second half, although there was a slight recovery this month.

The company also suffered as a result of the UK's unusually warm weather, which affected sales of its Vallance heating and insulation products. The group acquired Vallance in February for £8.2m.

Kalon's French subsidiary, Novodec, is reported to have increased its paint volumes, while margins have come under pressure from competition. Novodec was acquired for £22m in February 1993.

After raw material price rises of about 0.2 per cent in the first half, Kalon expects to raise its prices next year.

"Prospects for 1995 will be influenced by the recovery of the UK retail market, the ability to offset the impact of higher raw material prices and the growth in Kalon's paint volumes," Mr Hennessy said.

"In the UK the Leyland trade centre opening programme will be accelerated and the retail market should be stimulated by the introduction of a new product range in the first half year."

Kalon reported pre-tax profits of £18.5m on turnover of £24.4m last year. In the first half, pre-tax profits rose 15 per cent from £8.7m to £10m on turnover 10 per cent ahead at £13m, as trade sales replaced retail sales.

Despite the disappointing profits, Mr Hennessy said the company was still looking for an acquisition worth less than £40m in continental Europe.

Norweb claims PowerGen rejected plant approach

By Peggy Hollinger

Norweb, the regional electricity company, yesterday claimed PowerGen had rejected its approach to buy plant which it must sell to meet the industry regulators' demands for increased competition.

The news comes just a day after Professor Stephen Littlechild, the industry regulator, expressed impatience with the two main generators over their progress on plant disposals. National Power and PowerGen have been ordered to sell between 5,000MW and 6,000MW of generating capacity before the end of next year.

Mr Ken Harvey, Norweb's chairman and chief executive, said at the company's interim results meeting that he had approached PowerGen in conjunction with other "potential generators".

"PowerGen told us they did not wish to proceed any further," Mr Harvey said. "They said they had other options."

PowerGen denied it had rejected Norweb outright. The generator had decided initially to pursue options with potential European partners.

"Options include asset swaps or potential joint venture arrangements," the company said. "We have made it clear that the priority at the moment is to pursue proposals with European parties, but we have not ruled out other options."



Ken Harvey: PowerGen said they had other options

Mr Harvey said Norweb was talking to National Power about the possible acquisition of plant.

Mr Harvey's comments came as the group announced a 19 per cent jump in pre-tax profits to £77.5m (£65.1m) in the six months to September 30. Sales were up 5 per cent to £677.2m.

Norweb also announced it was reducing its standing charge to domestic customers by £1.50 to £3.34 a quarter. This means prices to domestic customers have fallen by about 22 pence a year including the 6 per cent VAT tariff cut in April. These reductions more than offset the 8 per cent VAT charge, Mr Harvey said.

The distribution business increased operating profits by 5 per cent to £62.5m, while supply profits jumped from £4.2m to £13.3m.

The interim dividend was increased to 6.2p (6.7p). Earnings rose from 27.1p to 33.9p.

COMMENT

These were strong results and the underlying growth in the distribution business is even better than it appears. Profits there were held back by provisions for the restructuring which will further enhance the utility's performance. The only real question over Norweb now is the decision to expand the retailing division. This is likely to leave the market with a certain degree of unease for the immediate future. Forecasts are for profits of about £196m. The forecast dividend of more than 27p leaves Norweb with a prospective yield of about 4.4 per cent. On that basis, the shares appear to be fairly valued.

Portals wins £100m contract with Indian government

By Christopher Price

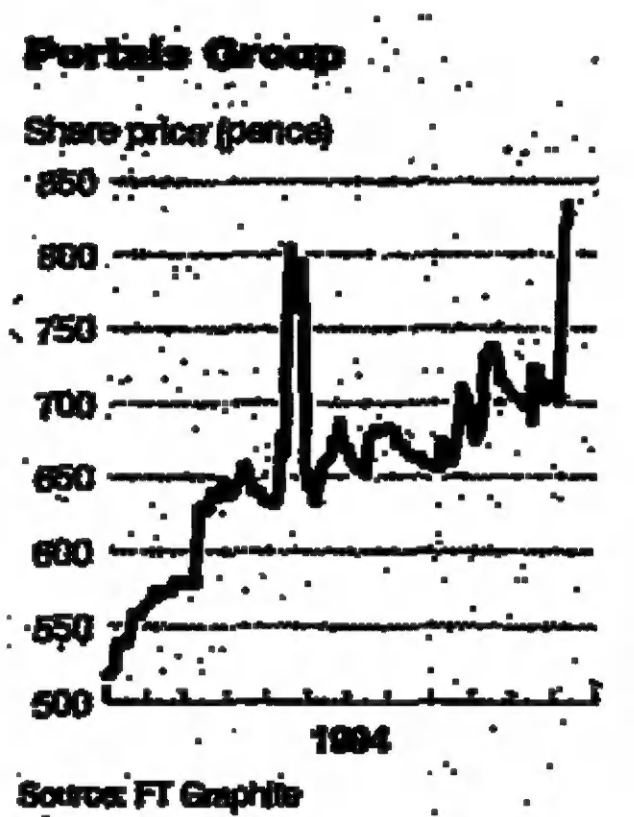
Portals, the specialist papermaking group, yesterday announced a £100m contract to supply the Indian government with banknote paper.

The news provided a further boost to the group's share price, which had already shot sharply forward on news earlier this week that Portals had been approached by De La Rue, the printing group.

Portals shares closed up 10p yesterday at 83p, and ahead 12p on its close of Monday evening.

The group was forced to make an announcement over the De La Rue approach on Tuesday when its shares began rising rapidly.

The Indian contract is the



largest value banknote paper order in the industry ever and was won through a public tender.

Mr John Lloyd, managing

director, said that the order, which will begin early next year, should allow the group to operate at capacity for the foreseeable future.

He refused to comment on the De La Rue talks.

It is the second time this year that the two sides have been in potential takeover negotiations. De La Rue approached Portals in May - a move which again sent the share price soaring - but the two groups called the talks off after failing to reach agreement.

Following this week's news, De La Rue has said it would not make a hostile bid without the agreement of the Portals board and undermined the close commercial relationship between the two companies.

Chesterton pays £6.25m for consultancy

Chesterton International, the property consultancy, has continued its acquisition drive with the purchase of Cyril Sweett, the construction, cost and project management consultancy, for £6.25m.

The consideration will be met by the issue of 4.24m new ordinary shares, £1.74m nominal of loan notes repayable over 7½ years and £700,000 of convertible loan stock.

Chesterton, which came to the market in June, has this year already acquired Consolidated FPM, the facilities management company and Conroy Hunter, the Scottish property agency.

The deal will enable the group to extend its facilities management operation which it believes to be a growth area. Mr William Wells, Chesterton chairman, said: "This acquisition will significantly increase the range of services Chesterton is able to offer."

Cyril Sweett has operations in western Europe and east Asia. It employs about 190 people and, among other projects, has completed the Lakeside shopping centre in Thurrock.

Faulpel rises 35%

Improved margins and overhead savings in its garment business helped Faulpel Trading Group report a 35 per cent advance in pre-tax profits from £404,000 to £546,000 in the six months to September 30, on turnover unchanged at £13.4m.

Earnings per share for the USM-quoted clothing and household textiles importer, were 0.13p (0.07p) and the group's dividend is unchanged at 1.85p.

Cheam up at £2.8m

Cheam Group, the south-west London and Surrey water supply company, increased pre-tax profits from £1.98m to £2.78m in the half year to September 30, on turnover ahead from £7.7m to £8.8m.

Earnings per share were 25.1p (21.2p) and the interim dividend rises to 5.6p (4.7p).

Trading is expected to begin on Wednesday.

Booth back in the black with £8,000

Booth Industries Group, the specialist engineering group, edged back into the black with a pre-tax profit of £8,405 in the six months to September 30, against a £277,970 loss last time.

The company, which makes high security doors - including the front door for 10 Downing Street - and fire and blast resistant systems, reported a £2.12m loss at the year end, although this was struck after a £1.43m provision for reorganisation.

Mr Gerard Booth, chairman, said that though markets remained competitive, sales targets were achieved while maintaining positive margins. The UK market was static but overseas opportunities were encouraging.

Turnover dropped to £4.8m (£5m), which included £1.9m (£5m) arising from certain structural steelwork contracts being concluded this year. Earnings per share were 0.21p (4.9p losses) and there was again no interim dividend.

King & Shaxson

A first time contribution of £277,000 from Greig Middleton, the stockbroker offshoot, acquired earlier this year, helped King & Shaxson Holdings to lift pre-tax profits by 64 per cent from £762,000 to £1.25m for the six months to October 31. Revenue jumped from £2.46m to £12.8m.

Moneybroking turned in an increased contribution of £559,000 (£360,000), but discount house profits fell from £743,000 to £425,000 and futures management incurred a slightly higher loss of £32,000 (£29,000).

Earnings per share rose to 4.1p (2.7p) or to 3.3p fully diluted and an unchanged interim dividend of 4p has been declared.

● Smith St Aubyn (Holdings), a wholly-owned subsidiary of King & Shaxson, made a lower interim pre-tax profit of £278,000 (£554,000).

BBB Design loss

The cancellation of its contract with ICL to provide software for the Automobile Association left BBB Design Group with a pre-tax loss of £98,000 in the half year ended October 31, against a profit of £43,000.

The USM-quoted design and

Project Hawk takes flight

The British Coal deal is in the bag for RJB. Michael Smith reports

Project Hawk was the codename given by Barclays de Zoete Wedd to its work on the RJB Mining bid for British Coal. But outside the company there were many who doubted that the bid would fly.

Yesterday they had their answer when RJB signed a deal to pay £215m for the English mining assets of British Coal. In extremely difficult circumstances, it had raised the £294m needed to finance the bid.

That means its acquisition of the 17 deep mines, including 16 open cast sites in the bag. Even the company's critics acknowledged yesterday that RJB and BZW have done well.

"We doubted it when they said they could raise the money," said one.

"They should be congratulated for doing a deal against the odds."

One difficulty for RJB was the recent weakness of the stock market. Several companies have had to pull out of,

or scale back, fund-raising exercises.

But RJB's biggest potential problem was persuading the institutions to accept its view of the potential in English coal rather than those of its rivals.

It has predicted profits of £220m in 1998 on sales of 1.2m. The resulting margin of 17 per cent would be one of the highest of any international coal company.

But rivals say RJB's projections are based on an over-optimistic view of markets.

Whereas RJB assumes it can sell 96m tonnes of coal at an average price of £23 a tonne, Mr Malcolm Edwards, chairman of Coal Investments, whose bid failed, reckons that 24m tonnes at £26 would be more appropriate.

In an extraordinarily bitter series of exchanges between the two companies RJB has dismissed Mr Edwards' comments as an attempt to destabilise his bid so that he could press forward with his.

But Mr Edwards is not alone. Most executives within both

the coal and electricity industries are closer to the gloomier, Edwards view.

The institutions think otherwise, or are at least prepared to give RJB and Mr Richard Budge, its chief executive, the benefit of the doubt.

"There are an awful lot of numbers knocking around and, because coal has been in the public sector for so long, the City's knowledge is not good," said Mr Neil Richardson of Threadneedle, one of the institutions which is buying shares.

"However, we know the supply of coal is much closer to demand than for a long time and that world coal prices are rising."

Mr Richardson also believes there is more scope for cost-cutting than RJB has allowed for in its forecasts. RJB assumes it will cut costs by just 3 per cent a year.

Most of the institutions backing RJB say they invested when the company was floated last year because they were

impressed by its track record and nothing has arisen since then to change their minds.

A wide airing of events surrounding the collapse two years ago of AF Budge, of which Mr Budge was a director for 20 years, has seemingly failed to deter many investors.

"None of the deals struck then was illegal," says one shareholder. "Most of them were typical of what happens when private companies collapse."

Fund managers concentrated instead on the finances. Assuming the company meets its after-tax profit projection of £76m next year, the shares are being sold at 25p on a 1995 prospective price/earnings ratio of 6.4, compared with a stock market average of 12.

But what really made Project Hawk fly was the projections of profits and dividends after 1998, when the debt is scheduled to be paid off. There remain many doubters about RJB's assumptions, but the company's investors prefer Mr Budge's version of the future.

DIVIDENDS ANNOUNCED					
Company	Current payment	Date of payment	Current - pending	Total for year	Total for year
Cheam	5.6p	Jan 27	4.7	14	14
Estates & Agency	9	Jan 18	7	7.5	7.5
Faulpel	1.85p	Feb 15	1.85	4.9	4.9
Portals	2.5p	Jan 20	2.52	7.77	7.77
GEC	2.5p	Mar 31	2.81	10.82	10.82
King & Shaxson	4.1p	Jan 18	4	13	13
Lyons Irish	3.65p	Jan 10	3.45	10.4	10.4
Norweb	6.2p	Feb 10	6.7	23	23
Rolle & Nolan	1.4025p	Jan 27	1.4025p	6.5975p	6.5975p
Turkey Trust	2	Feb 24	3	2	3

Dividends shown pence per share net except where otherwise stated. 10p increased capital. USM stock. *Adjusted for scrip issue. British pence.

This advertisement appears as a matter of record only.

BRITISH AEROSPACE
PUBLIC LIMITED COMPANY
(registered in England and Wales under the Companies Acts 1948 to 1976 with registered number 1470151)

Rights Issue
of up to 137,088,290 units of non-interest bearing convertible unsecured loan stock (convertible into British Aerospace ordinary shares)

Notice is hereby given that, the offer of British Aerospace Public Limited Company for VSEL PLC having lapsed following the reference of the offer to the Monopolies and Mergers Commission, the Second Instalment of up to 260p per Stock Unit offered pursuant to the above Rights Issue is cancelled.

This advertisement has been approved by Kleinwort Benson Limited, a member of the Securities and Futures Authority Limited, for the purposes of section 57 of the Financial Services Act 1986.

10 December 1994

سكرا من الاربعين

aims Power
ant approach

flight

RJB Michael Smith

The build-up of resources in London likely to slow down next year

US investment banks look to Asia

By Richard Waters
in New York

London has been the most profitable centre for US investment banks since last year, following a build-up of resources in Europe's biggest financial centre in the early 1990s. However, the recent pressure on banks' profits in the US, together with a switch in their investment towards Asia, is set to slow the boom in London considerably next year.

The surge of profits in Europe has helped to turn the focus of the banks' attentions away from the US markets, which have traditionally provided almost all their profits.

Morgan Stanley employs nearly 2,000 people in London, almost identical to its Canary Wharf neighbour, CS First Boston, the unit of Credit Suisse which is run from New York. Goldman Sachs, meanwhile, employs 1,500 at its European headquarters in Fleet Street, while Lehman Brothers has built its numbers to 1,300.

The figures represent a substantial increase over the past two years as US banks have invested part of their huge profits from the booming US capital markets.

One result has been that, since last year, their London-based businesses have for the first time earned a higher return on capital than domestic US operations, said Mr Ste-

ven Berger, managing director in charge of Lehman's European investment banking business. "The cross-over occurred in 1993, for all of us." Also, the banks' Asian operations "became profitable for the first time" in 1993, or in some cases 1992. "There's been a big change in where the firms are making their money."



In addition, some firms have received infusions of new capital this year, further bolstering their international businesses. CS First Boston, for instance, now has \$1.8bn (£1.09bn) of equity capital, up from \$1.3bn at the end of last year, as part of a plan to strengthen its position in international financial markets.

Lehman's equity capital base soared to \$3.6bn this summer after it was spun-off by American Express following a capital infusion to secure it a strong credit rating as a stand-alone company.

Although the banks do not provide figures for the amount of capital committed to non-US markets, or their overseas profits, most confirm that international operations have become a far more significant part of their businesses.

Commenting on the amount of capital that Lehman has tied up in European markets, Mr Berger said: "In the mid-1980s, it would have been 5-10 per cent of the [total] capital. Now, it is much, much more."

Warburg speculation boosts MAM shares

By David Wighton and Norma Cohen

Shares in Mercury Asset Management, the fund manager which is 75 per cent-owned by SG Warburg, jumped 58p to 71p yesterday on speculation that Warburg and Morgan Stanley would buy out minority shareholders if their merger went ahead.

It is thought they propose to fold Morgan Stanley's asset management business into MAM, which is more than twice the size, creating a group with almost £100bn funds under management.

Such a move would require the approval of more than 50 per cent of MAM's minority shareholders. It is possible that the 15 per cent held by funds managed by MAM and by its employee trust would also be excluded leaving the decision up to investors representing just 10 per cent of the shares.

The merged banks could be forced by the Takeover Panel to make an offer to the minority shareholders. But it now appears that this is their plan anyway.

Many of MAM's senior staff are also significant shareholders - the directors alone hold more than 2m shares worth £14m - and can be expected to demand attractive terms.

But one of MAM's institutional investors voiced concerns about such a move. "Once their shares have been bought out there is nothing to stop them trotting across the road to Schroders or whoever. MAM has a lot of very marketable people."

Even if MAM buys out most of the minority shareholders any opposition to a merger with Morgan Stanley's asset management business could still cause trouble.

The merged banks would only be able to force shareholders to sell once 90 per

cent of the 25 per cent had accepted. Some observers believe that the banks may have decided to buy out the minority merely to make the deal easier and may refloat MAM at some stage. "It would be a very handy source of capital for them," said one institution.

Sources close to Warburg argued that the benefits of independence have not been as great as predicted when Warburg originally floated off 25 per cent. On the other hand its efforts to expand internationally and into the UK retail world were boosted by the Warburg and Morgan Stanley names.

Valued at almost £1bn, Warburg's stake in MAM represents more than half its own market capitalisation and is seen by both banks as a key element of the deal.

MAM will announce its choice of independent financial adviser on Monday.

Lucas raises £56m for US purchase

By Paul Chesworth,
Midlands Correspondent

Lucas Industries, the automotive and aerospace components group, yesterday raised £56m through the placing with institutions of 39m new shares at 150p.

The placing followed the completion in the US of its acquisition for \$57m (£35m) of Lake Center Industries from Guy F. Atkinson. The company brings with it £11m of debt and its consolidation by Lucas will involve the write-off of \$51m of goodwill.

The shares closed down by 7p at 150p. The decision to finance the purchase of LCI by a share issue reflects Lucas's concern not to extend its gearing, which during its last financial year fell to 38 per cent from 46 per cent.

The group is engaged in strengthening core businesses and selling peripheral interests. LCI, with control panels among its products, fits into Lucas Body Systems.

Lucas also said that it expects by the end of this month to have settled the most contentious aspects of its dispute over contract compliance with the US government. It made provision of \$57.6m, which it insists is adequate, to cover the costs of both restructuring and the litigation.

Overall, Lucas has started its current year in encouraging fashion with first quarter sales showing a 12 per cent improvement on the comparable period.

McCarthy & Stone back in the black with £4.2m

By Christopher Price

McCarthy & Stone, the retirement home building group, yesterday reported a return to the black with pre-tax profits of £4.2m for the year ended August 31, against losses of £11.2m previously.

The group attributed the turnaround to the continuing improvement in the housing market and efforts by the company in cutting costs and focusing on its core operations.

Turnover was only slightly ahead at £71.2m (£71.1m), while the operating profit improved sharply from £1.8m to £2.8m. Earnings per share were 4.1p compared with losses of 15.6p in the previous 12 months.

The dividend was again passed, but the company said it hoped to resume payment this financial year.

The shares rose 1p to 64p yesterday.

During the year, the group sold its fixed freehold investments and management services operations for £30m, which together with the proceeds from the summer's £15.5m rights issue and the underlying cash generation, eliminated borrowings.

The number of units sold fell 45 to 936, although the average selling price rose 6 per cent to £64,700 (£61,300). Mr Matthew Thorne, finance director, said the group had managed to withstand many of the cost

pressures being experienced by the rest of the building industry.

"We are not in competition with other residential builders for the type of land we buy, which tends to be town centre sites," he said. The company's widespread use of contractors also offered some protection from materials and labour price rises.

He added that although the group's market had largely recovered from the recession, it was currently static and that sale prices were unlikely to rise in the foreseeable future. However, margin improvement was likely to come from new higher margin sites and lower overheads.

SelecTV to turn broadcaster with launch of cable channel

By Raymond Snoddy

SelecTV, the independent television production company that makes Lovejoy and Birds of a Feather, will launch a cable TV channel within the next few months.

The general entertainment channel will draw on the 300-hour library of programmes made by SelecTV, combined with acquired programmes.

Two cable companies have already agreed to take the new channel. Mr Alan McKeown, SelecTV's chief executive, believes most members of the Cable Communications Association, the industry trade body, will distribute it.

The channel, which will run for 56 hours a week - 5pm to midnight on weekdays and longer hours at the weekend - is due to launch in the first quarter of next year and will be "cable exclusive".

The cable industry is keen to improve the range of its programming, partly at least to differentiate itself from satellite television and to make itself less dependent on British Sky Broadcasting. A cable-exclusive news channel for London, Channel One, was launched recently and Mirror Group's Live TV are believed to have negotiated cable subscription deals of 25p a month for each subscriber. The SelecTV channel will get about 22p or 23p a month. So, even though audiences will be small and advertising revenues tiny, there should be an immediate revenue stream.

ing its independent producer status, and so its programmes will not count towards the 25 per cent independent production quota required by law for the four main broadcasting channels. Mr McKeown believes it is essential to be a broadcaster in order to have an outlet for programmes.

Channel One and Mirror Group's Live TV are believed to have negotiated cable subscription deals of 25p a month for each subscriber. The SelecTV channel will get about 22p or 23p a month. So, even though audiences will be small and advertising revenues tiny, there should be an immediate revenue stream.

Ferranti gets DTI grant

The government is giving £500,000 in regional selective assistance to help fund the management buyout of Ferranti Technologies in Oldham, Greater Manchester. The deal was completed yesterday, a year and a week after the company went into receivership, writes Ian Hamilton Facey.

Brent appoints new chief

since been led by Sir Keith Bright, who resigned as chairman in September. Mr Leach was appointed finance director in 1991 after the resignation of Mr Wilfred Aquilina. Formerly managing director of the LEP freight forwarding group, Mr Leach has overseen the refinancing package which allowed Brent Walker to keep control of the William Hill betting chain.

Brent appoints new chief

Mr Leach, the former finance director, takes the helm almost two years after Mr Ken Seobie resigned as chief executive. The board has

INTERNATIONAL COMPANIES AND FINANCE

Surge in sales fails to lift Cott in third quarter

By Bernard Simon
in Toronto

Cott Corporation, the fast-growing private-label soft drinks maker, failed to lift third-quarter profits, in spite of a 48 per cent jump in sales.

The Canadian company's virtually unchanged earnings reflect slimmer margins as its much bigger brand-name rivals, notably Coca-Cola and PepsiCo, fight to regain market share lost to Cott products.

Cott earned C\$9.3m (US\$7.2m), or 18 cents a share, in the three months to October 26, compared with C\$8.8m, also 18 cents, a year earlier.

The surge in sales, to C\$361m, reflected strong growth in the US and overseas. Almost three-quarters of Cott's sales are outside Canada. But the contraction in margins, from 17.7 per cent to 15.8 per cent, was largely due to price wars in Canada, where Cott's market share is highest, and some parts of the US.

While sales volumes in Canada grew by 13 per cent, revenues were up only 4 per cent. Margins were dented by higher packaging costs and a shortage of plastic bottles early

in the quarter which hit sales of some high-margin products. Cott's rapid growth stems mainly from the wider profit margin which retailers can earn from their own private-label brands than from heavily-promoted national brands such as Coke and Pepsi.

However, opinion is divided whether retailer-controlled brands can expand their beachhead on supermarket shelves in the face of a concerted counter-attack from brand-name manufacturers.

Cott supplies about 90 retailers, up from 65 a year ago. It recently formed a joint venture with the UK's Virgin Trading to develop a range of Virgin food and beverage products. The first product, Virgin Cola, was launched last month.

Other new customers include Safeway and Woolworth in the UK, and Dunnes Stores, Ireland's biggest retail chain.

The third-quarter results were within the range of analysts' estimates. Cott's shares, which reached a peak of C\$42.38 earlier this year, edged up 25 cents in early trading on the Toronto stock exchange to C\$42.38.

Investors issue writ against News Corp

By Corinna Middeldam

A long-running row between News Corporation and investors in securities issued in 1989 by its subsidiaries has flared again after 18 private investors issued a writ in Frankfurt against the media group owned by Mr Rupert Murdoch.

The dispute goes back to December 1993, when News Corp published a notice in the Financial Times and the German Börsenzeitung telling holders of its preference shares and convertible bonds - exchangeable for shares which News held in Pearson - that they would also get Royal Doulton shares when exercising their exchange right.

However, in February, News Corp issued another notice saying investors were not entitled to shares in Royal Doulton, the fine china manufacturer demerged last year from Pearson. The convertibles were demerged in D-Mark and the preference shares were in sterling and Dutch guilders.

News Corp's conflicting notices had serious financial implications. The value of the conversion package was less without the Royal Doulton shares than the redemption value of the bonds. Moreover, many holders had sold Royal Doulton shares they did not own in anticipation of receiving them as part of the exchange property. The loss to investors, including covering the short positions, has been estimated at £15m (\$24.6m).

The 18 claimants demand delivery of the Royal Doulton shares, or the financial equivalent, and compensation for their transaction losses. The case will be closely watched by UK-based bankers and investors involved in the dispute. In September, News Corp rejected arbitration when a group of disgruntled investors and banks tried to take the case to the City Disputes Panel in London.

Last night, News Corp said: "We have not received a copy of any German proceedings, and cannot therefore comment at this stage."

Hopewell turns its back on bond market

Hopewell Holdings, the property and construction group controlled by Mr Gordon Wu, has never been a company to do things by halves. In June 1991, the group pulled off Hong Kong's biggest rights issue, raising HK\$6.7bn (US\$740m), and last year notched up the colony's biggest spin-off when it sought a separate listing for its power stations in a combined HK\$5.9bn offering.

This week, Hopewell said it had secured a HK\$7bn loan arrangement facility with the colony's two biggest banks, Hongkong and Shanghai Banking and its subsidiary Hang Seng Bank. The innovative structure of the loan, which grants non-transferable options to subscribe for shares over five years, will see the banking group take a long-term strategic stake in the company with which it has been closely aligned since Mr Wu was a bright 20-something engineer.

Details of the financing package, taken favourably by the market, and weeks of mounting speculation that attended the run-up to December 6, when Hopewell's second instalment on its partly-paid shares in Consolidated Electric Power Asia (CEPA), the spin-off power interests, fell due.

Peregrine Holdings, Hopewell's merchant bank, had been eager to launch its own foray into the bond markets with a US\$1bn issue for Hopewell. Peregrine's endeavours, which included the acquisition of a credit rating, have not

been wholly in vain and its fixed income team will play a role in the planned bond issues for CEPA.

For Hopewell, whose gearing according to stockbroker Jardine Fleming now climbs from 35 per cent to 46 per cent, the decision to rely primarily on bank loan appears a sound one. It was assigned a BBB- senior implied debt rating by Standard & Poor's, which would not totally have excluded it from the

Hopewell's mooted bond was also shelved because of the poor market conditions, which would have exacerbated the difficulty of distributing a big issue. CEPA, which is sitting on cash of about HK\$5bn to HK\$6bn, can afford to wait and pounce when the time is right, a luxury not afforded to Hopewell which has some HK\$1.1bn worth of debt on its balance sheet.

As a pure play on the power sector, CEPA is a more straightforward and, perhaps, attractive animal to investors than Hopewell which is evolving from a Hong Kong property company into one involved in infrastructure projects throughout Asia.

Its net cash position increases its likelihood of obtaining a better credit rating than its parent.

The bank loan facility secured by Hopewell should see it comfortably through the next 12 months, analysts say. About HK\$3m remains after the third and final instalment is paid on the CEPA shares next December and the bulk of this money is likely to be targeted at the super-highway project in Guangdong province and the southern Guangzhou ring road.

On a broader scale, Hopewell's lengthy review of its options reflects

the changing dynamics between Asian companies and their bankers. Before the review, Hopewell's banking relationship was principally with Hongkong Bank and it has cemented that relationship by granting the sweeter options which enable the HSBC group to take a stake of up to 4.5 per cent in Hopewell.

Mr Simon Moules, senior manager for corporate banking at Hongkong Bank, says: "This type of structure is innovative and somewhat unconventional and reflects the closeness of our relationship with Hopewell." However, he notes that the bank holds stakes in a number of Hong Kong corporates, especially those related to infrastructure development.

By going for bank financing, Hopewell is reaping cost advantages and benefiting from a simpler, more flexible package - although it remains prey to rising interest rates. But equally, CEPA will raise its funds on the capital markets - a trend which HSBC insists is complementary to, rather than competitive to, its own activities.

Besides, Mr Moules adds: "The vast majority of project financings which have been undertaken in the region in recent years have been financed by bank loans and export credit, and not by capital market instruments. As far as corporate lending goes, we have seen capital markets activity grow, but the volume of loans is not down."

Groupe Bull privatisation sees interest from overseas rivals

By John Hicking
in Paris

The privatisation of Groupe Bull, the loss-making French computer manufacturer, has drawn a response from some powerful participants in the international computer, telecommunications and electronics industry, according to sources speaking after the close of the offer period yesterday evening.

The candidates, which are largely in line with expectations, include NEC of Japan, which holds 4.4 per cent of Bull's shares and is thought to be seeking to raise its participation to 10 per cent. Quadral, a holding company which controls CSSE, the French electronics group, is proposing a joint offer with AT&T of the US to take a stake of up to 40 per cent of the state-owned computer manufacturer.

Motorola, which recently concluded a technology partnership with Bull, has declined to comment on whether it is seeking to invest in the French group, as has IBM of the US, which holds 2.1 per cent of Bull. But sources indicated that the privatisation had drawn interest from several groups, including non-Japanese Asian companies. These are reported to include Samsung of South Korea and Acer of Taiwan.

Government officials declined to comment on the number and nature of the proposals which had been received. The offer from AT&T and Quadral is thought to involve a joint company with a majority holding for the French group. AT&T has declined to confirm whether it is seeking access to the French telephone services market as a condition of the proposal.

The French government wants to reduce its 78 per cent stake in Bull to a minority holding by next spring. Although the company is reducing losses which have totalled more than FF20bn (\$3.7m) since 1989, its precarious position has prompted its state shareholder to seek privatisation through the formation of industrial partnerships rather than through a public offer for shares.

Under the terms of the privatisation process, the various proposals will be reduced to a short list after consultation between the government and the privatisation commission, an independent body which advises the government on the sale of public sector assets. The selected companies will have six weeks to proceed with a detailed examination of Bull's condition, after which they may make a binding offer.

Baseball strike holds back John Labatt

By Bernard Simon

John Labatt, the Canadian brewing and entertainment group, posted a small increase in earnings for the half year, with beer gains largely offset by the impact of the strike by baseball players in North America and the ice hockey lock-out.

Labatt, which is the majority shareholder of the Toronto Blue Jays baseball team, said that the strike, which began in August, lopped C\$13m (US\$10m), or 14 cents a share, off earnings in the three months to October 31. Sky-Dome, Toronto's sports stadium in which Labatt has a 41 per cent stake, was hit by the strike.

Net earnings edged up to C\$107m, or C\$1.09, for the six months to October 31, from C\$104m, or C\$1.06, a year earlier. Second-quarter earnings

slipped to C\$95m, or 46 cents, from C\$97m, or 48 cents. Six-month sales, which climbed to C\$1.77bn from C\$1.82bn, were lifted by a four-fold jump in revenues at BCL, Labatt's live entertainment arm, due to sell-out tours by rock groups Pink Floyd and the Rolling Stones.

Plans to spin off the bulk of the broadcast and entertainment businesses have been delayed by the baseball and hockey disputes.

Mr George Taylor, chief executive, said to announce details of the disposal of non-core assets by the end of next April.

Labatt, which has extensive brewing interests in the UK and Italy, acquired a 22 per cent stake in Fennia Carvea, Mexico's largest brewer, in September. Financial results from Fennia have so far exceeded expectations.

MARKETS

Wall Street

Over-stretched Orange turns into a lemon

County's bankruptcy shock raises the ugly spectre of recession, says Patrick Harverson



A week of high political drama in London - yet the markets' reaction was sanguine

London

After the turmoil, it wasn't all bad

Martin Dickson surveys a week of political drama

The most embarrassing parliamentary defeat for a British government in years; a half point rise in interest rates; and an emergency mini-budget. In short, a state of political turmoil which might seem guaranteed to sow despondency in the stock market.

Yet, London's initial response to the drama played out at Westminster this week was remarkably sanguine - certainly, far more so than the bout of bearishness which suddenly overtook the equity market yesterday.

The measured reaction to prime minister John Major's problems is perhaps understandable: a substantial degree of political risk must have been factored into share prices long before this week's dramas, given Labour's enormous opinion poll lead. And while Major's humiliation by Conservative party rebels in Tuesday night's vote VAT vote makes the government look extremely weak, Labour's opinion poll strength means Tory rebels will hardly be keen to force an early general election.

At the same time, the market still generally likes the government's handling of the economy. This week's increase in base rates might have been prompted in part by a need to calm City nerves over politics, but many analysts also regarded it as justified purely on economic policy grounds.

The economy is growing at more than 4 per cent a year, which is probably unsustainable over the long run. And while inflation is at its lowest point in 27 years - several companies reporting results this week welcomed a recent softening of commodity prices, which rose sharply earlier this year - the government, by raising rates now, could have nipped incipient inflationary pressures in the bud.

A solid rally yesterday in gilts - the market which is probably most sensitive to political risk - suggests that the equity sector's end-of-week nervousness originated in large measure from the mood on Wall Street, which has

tended to dominate sentiment on both sides of the Atlantic for most of this year.

The US debt and equity markets were rattled this week by the bankruptcy of Orange County, California, the fifth largest county in the nation, after a change in the direction of interest rates exposed it to at least \$1.5bn of losses from investments in complex securities. Nerves were also frayed by an announcement from Fidelity Investments' Magellan fund, America's biggest mutual fund, that it would not make a year-end distribution to investors, because of US tax-accounting rules.

A sharp fall on Wall Street late on Thursday set a negative tone for London yesterday, and the FT-SE 100 index closed down 40 points on the week.

Against these bearish forces, London gained some heart from an announcement on Thursday that S.G. Warburg, Britain's pre-eminent investment bank, was in merger discussions with Morgan Stanley, one of Wall Street's leading investment banks.

Warburg's share price, which had been rising for some days on bid rumours, shot up on the news, which also sent other quoted UK investment banks and brokers - such as Schroders, Kleinwort Benson and Smith New Court - sharply higher.

Analysts suggested that if Warburg - Britain's leading contender as a global investment bank and with a strong presence in the main markets around the world - felt it necessary to link with a large foreign ally, then the rest of the independent UK securities sector would also have to think along similar lines. It could, in other words, mark the second stage of London's Big Bang - the first being the round of mergers in the mid-1980s which accompanied the abolition of fixed commissions.

The more immediate question is whether the Warburg-Morgan Stanley marriage plans will be consummated. The two

companies look a good fit in terms of relative product and geographical strengths, but there is some overlap which is bound to lead to redundancies. And the melding of investment banking cultures is notoriously hard to pull off - as Big Bang demonstrated.

These cultural difficulties mean that it would be hard for a rival bidder to launch a hostile offer for Warburg, but other leading foreign houses may weigh an approach to the bank with a friendly offer above the price which emerges in any eventual agreement with Morgan Stanley. The present plan is to create a new holding company which would, presumably, offer shares in exchange for existing Warburg and Morgan Stanley equity.

The week also marked the debut of British Sky Broadcasting, the satellite television group, which floated this month through a successful offer for sale. Its shares opened for trading on Thursday at an 11p premium to the 550p price at which its offer was first made.

But shares in submarine manufacturer VSEL dived on Wednesday when Michael Heseltine, the trade and industry secretary, referred to the Monopolies and Mergers Commission bids for the company from both British Aerospace and General Electric. The two offers now face three months of close scrutiny.

The decision surprised the City, which had expected both bids to be cleared. But analysts' calculations were upset by the insistence of the Office of Fair Trading - which advises the government on competition policy - that GEC's bid should be referred since it already owns Britain's other large warship-maker, Yarrow, on the river Clyde.

Heseltine referred the BAE bid on grounds of "public interest" involving national security, a vague phrase which seemed designed to head off the storm which would accompany the referral of the GEC bid alone. A touch of expediency, in other words, in which it was singularly lacking on the Tory benches.

Is Wall Street predicting a recession, and could the Orange County investment debacle bring such an eventuality nearer? This might seem an odd question given that the US economy is growing at an impressive 4 per cent a year; that corporate earnings are strong; that the labour market is as close to full employment as it is ever likely to get; and that Orange County's problems, serious as they are, are likely to be confined to the once-prosperous municipality which occupies a few thousand square miles of southern California.

Yet, judging from the performance of financial markets this week, traders and investors appear to be anticipating a sharp slowdown in economic growth early next year, and quite possibly a slide into recession before the end of 1995. Also, some commentators on Wall Street believe the Orange County crisis could inflict serious damage on both investor and consumer confidence, hastening the onset of recession.

To take the markets' economic forecast first. One of the most revealing developments of the past few weeks has been the flattening of the yield curve. The curve, a graphical depiction of the yields on securities with varying maturities, has been flattening rapidly, because yields on short-term government paper have been rising, while yields on

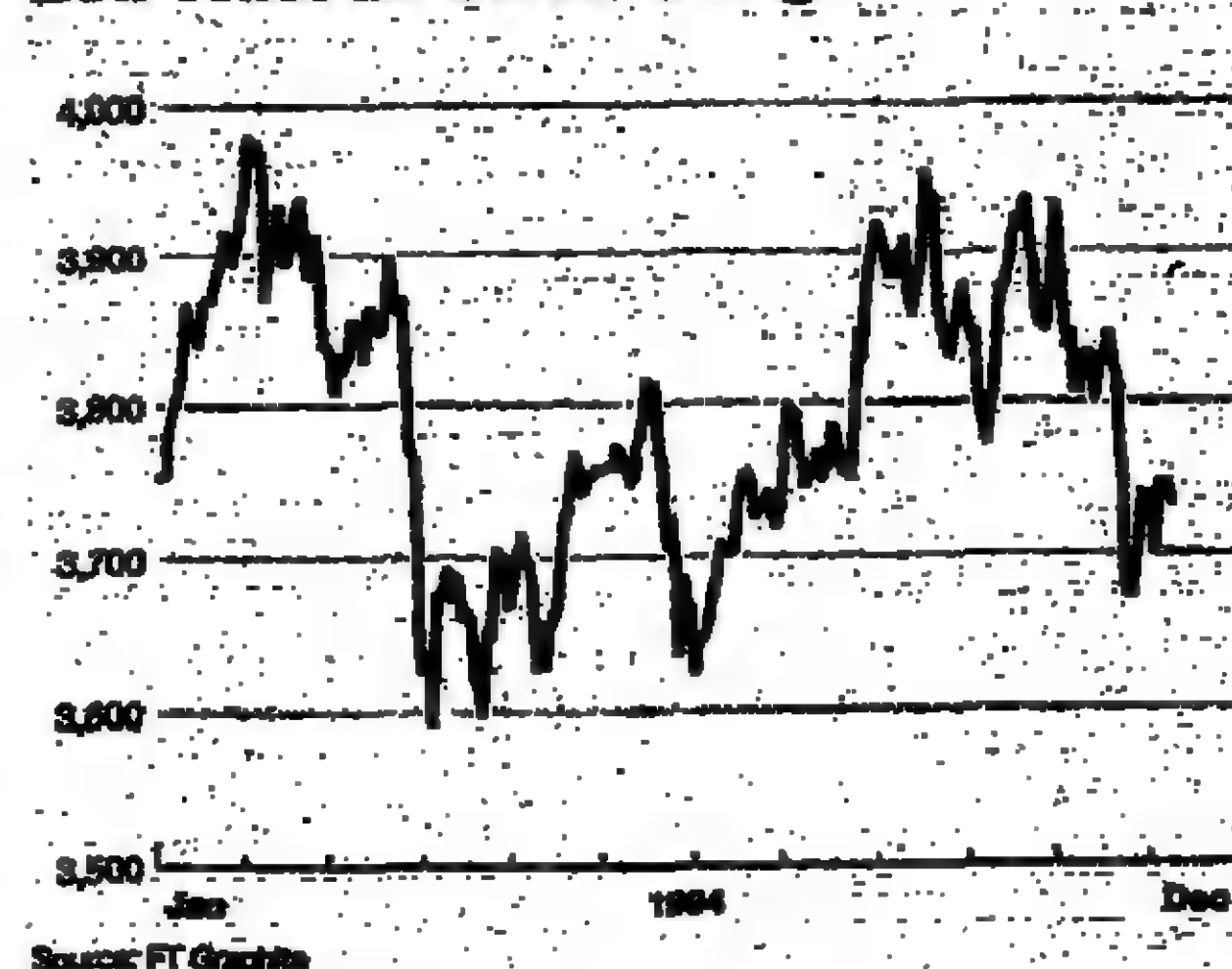
long-term paper have been falling. In the past week alone, the difference (or "spread") between yields on two-year notes and 30-year bonds has narrowed from 60 basis points (each basis point is one hundredth of a per cent) to 35 basis points, its lowest level since mid-1993.

The curve is flattening because investors are buying long-term government securities in the belief that the Federal Reserve's aggressive tightening of monetary policy this year will keep inflationary pressures in check by engineering a sharp deceleration in economic growth in 1995. At the same time, investors are selling short-term securities because they are worried about the possibility that the Fed will initiate another increase in short-term interest rates soon.

If the trend of selling at the short end of the bond market and buying at the long end continues, the yield curve will be flat before the end of the year - and a flat yield curve, as analysts have been quick to point out, occurs typically when the bond market sees recession ahead.

None of this has escaped the attention of the stock market, where share prices remain under pressure as investors increasingly become concerned about the outlook for economic and corporate earnings growth. In the first 44 trading days of this week, the Dow Jones Industrial Average fell more

Dow Jones Industrial Average



Source: FT Graphix

than 75 points, or 2 per cent, and broader measures of the market - particularly the indices of small-capitalisation stocks - suffered even larger losses. The traditional December rally in share prices now looks more unlikely than ever. Adding to the market's tribulations has been the bankruptcy of Orange County, California, the fifth largest county in the US and - until this week, at least - one of the wealthiest. In the strictest terms, the county's woes are not the stock market's problem. Orange's finances are in a mess because it borrowed billions of dollars and invested them in a range of fixed-income securities (and some

derivatives) in the expectation that interest rates would remain low.

The sharp rise in rates destroyed that strategy. Now, the value of the county's portfolio has fallen sharply and it cannot meet its debt obligations. This week, Wall Street firms which had lent money to Orange rushed to sell more than \$7bn in securities which they had held as collateral against the loans. Although this fire sale created considerable unrest in the bond market and, in some cases, depressed prices and raised yields - there was no direct impact on share prices.

The crisis, however, had a noticeable impact on investor

sentiment. The bankruptcy filing by Orange was by far the largest of its kind in the history of local government in the US. Concern has grown on Wall Street that other counties or cities may have pursued similar highly-leveraged investment strategies which could lead to further bankruptcies. A meltdown of municipal finances would hit local economies hard and worsen the expected nationwide slowdown in business activity next year.

The Orange County debacle is likely to overshadow the market into the new year and at least one leading Wall Street economist, Michael Mett of Oppenheimer, believes it is a watershed, the beginning of the end of what he called "financial buccaneering" in America. By buccaneering, he means the excessive use of leverage, the use of complex derivatives for speculation, and the high-risk strategies of hedge funds.

While an end to these activities may not necessarily be bad for the stock market, or even the economy, Wall Street has made a lot of money from them, and would be loath to let them go.

Dow Jones Ind Average

	Monday	Tuesday	Wednesday	Thursday	Friday
Dow Jones Ind Average	3,741.92	3,745.95	3,735.52	3,685.79	3,685.79
Change	-3.70	+4.03	-10.43	-50.79	-

Life insurance

The moment of truth is approaching

Big changes - including full disclosure of charges - are imminent. Alison Smith reports

If the life insurance sector was being advised by one of its own sales agents, one of the first items to check would be that it had an income protection plan in place. The difficulty might be finding an acceptable premium to cover the short-term risk, given the industry's immediate past record.

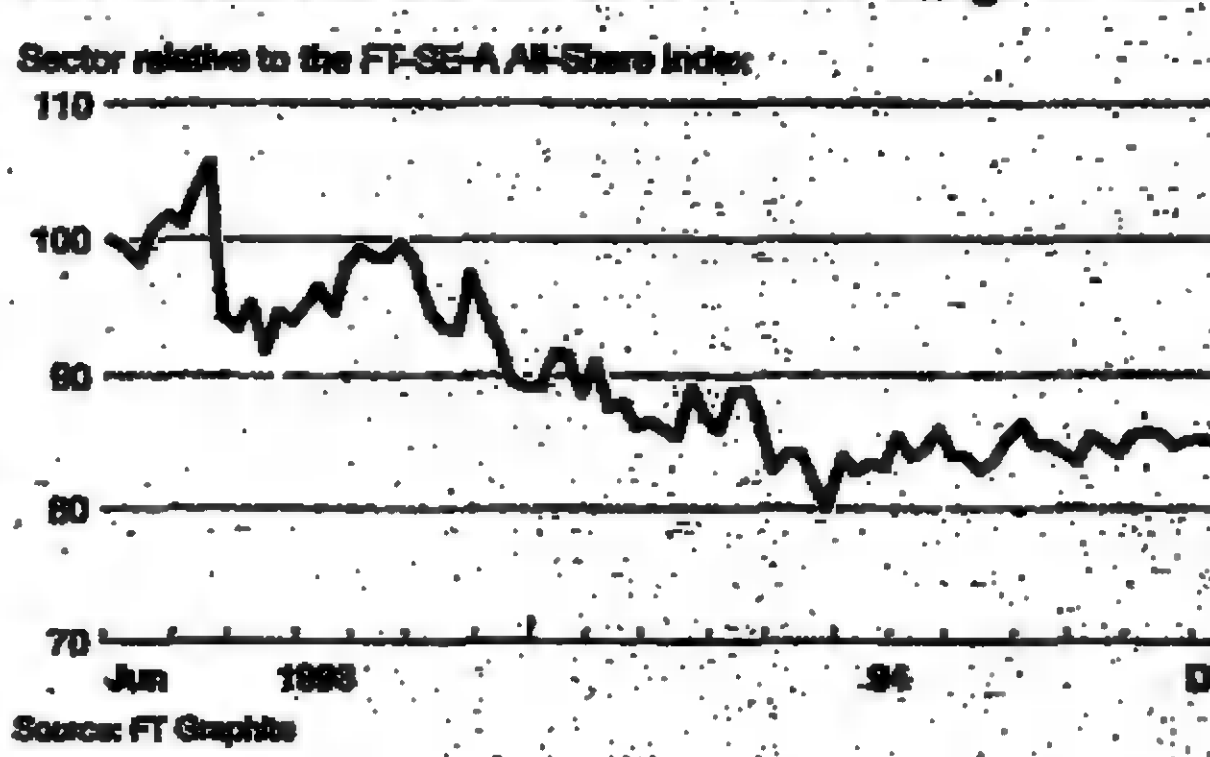
As the chart shows, shares in the quoted life sector have already been underperforming the FT-SE-A All-Share index for more than a year. But this sector does not give a full picture of the industry.

Although it includes two of the giants - Prudential and Legal & General - others, such as Norwich Union and Standard Life, do not feature because they are mutual organisations owned by their policyholders.

It also excludes such subsidiaries as Allied Dunbar, which is owned by BAT Industries, and Barclays Life, which is part of the Barclays Bank group. Neither of these is quoted separately, and nor are the life operations of composite insurers.

Yet, even if the picture is not a full one, it does not mislead in indicating that the industry

Life insurance: will disclosure make things worse?



Source: FT Graphix

as a whole has been finding life hard over the past year or so. And the sector knows it must face fresh uncertainties in the coming months.

From January, there will be new rules requiring life companies and independent advisers to give customers more information about policies, charges and commissions. These rules are expected to have a short-term, disruptive impact on sales, although the longer-term implications for new business are harder to read.

Some results for life insurers themselves, however, are already becoming clear. Over

the past few months, company after company has announced re-structuring of policies, cuts in costs, or changes in paying sales agents and advisers.

Sun Alliance today becomes the latest to announce a new range of policies to be sold from January in response to the new rules. It is introducing nine new products, including six personal pensions with a common core and intended to be simpler and more flexible than present policies. (The company is keen to build up its pensions business, where its market share is low compared with its other sales areas.)

One aim of the changes is to provide customers with better value if they have to stop making payments early in what should be a long-term policy. This is one of the elements highlighted by the new rules.

The improved value is achieved by spreading the commission paid to the sales agent more evenly over the duration of the policy, rather than taking all the charges from the initial payments as often happens now. This cuts sharply how much can be invested early on, and so reduces the amount building up in a fund for the customer.

Take a man of 36 who buys a £200 a month Sun Alliance personal pension plan now with the aim of retiring at 60. He would get only £1,992 - scarcely more than half of the amount he had paid - if he decided to transfer out of the policy after two years. Under the new arrangements, he would get £4,710.

Life companies hope that higher surrender values will not lead to early lapses of long-term policies. Instead, one theory is that larger amounts invested early on should mean higher values as well when the policy matures.

Sun Alliance's plans differ in some ways from the route taken by Standard Life, which believes that customers will be ready to accept a slight dip in maturity values as the price for higher early surrender values. But Standard has sought to minimise this aspect by cutting its own margins so that, in some cases, the maturity values for the new policies are slightly higher despite the change.

While companies are adopting various approaches to improving surrender values, at least one aspect of Sun Alliance's plans reflects themes common across the sector.

The company says it will move straight to meeting the entire range of disclosure requirements from January, even though companies need not bring in all of them until the summer.

Last week, the Prudential also announced it would give each customer full information at the start, and many other companies are taking the same stance. But it might be a mistake to see this as a rush of altruism: making one change to computer systems is cheaper and less disruptive than three successive ones.

Barry Riley

Breaking with the inflationary past

The 1990s could yet turn out to be the decade of the bond



Five years ago, I wrote an FT article considering the spectacular, but surely unrepeatable, returns on equities during the 1980s. Later, in a column in mid-1992 - a quarter of the way through the 1990s - I speculated on whether this would turn out to be the decade of the fixed-interest bond. Halfway through the decade, here is an update.

Bonds are indeed still ahead and equities continue to struggle (they have had a bad week). It looks as though, in 1994, we are heading for the second year of equity price declines in the 1990s. Investment institutions stuck with a backward-looking orientation towards equities are grappling with the problem of whether they should re-shape their fundamental strategies.

Remember that the world's stock markets delivered wonderful returns in the 1980s. For the British investor, the pre-tax total rate of return (dividend income plus capital growth) averaged 24 per cent annually on UK equities and about 23 per cent on overseas stock markets. The average annual return on UK government bonds was just under 15 per cent - not bad in itself, but a yawning 9 per cent short of the return on equities.

Here, though, are the numbers for the 1990s thus

far. British government fixed interest bonds have returned 11.5 per cent a year against just 9.1 per cent on the FT-SE-A All-Share index. Globally, the Salomon Brothers World Government Bond index has returned 9.8 per cent (in dollars) against a corresponding dollar return on the FT-A World index of no more than 4 per cent. Even as I calculated them this week the figures were shifting further in favour of bonds.

The pattern is not yet repeated in the US, however, where the return on the Standard & Poor's 500 index has just beaten the return on US Treasury bonds - by a margin of 5.5 against 7.5 per cent a year. The reason is that dollar bonds have taken a much bigger caning than US equities in 1994. But Wall Street stocks are now looking very fragile.

Why have equities generally proved so disappointing since the end of 1989? The simple answer is that they became over-valued in the 1980s as investors chased historical performance without proper regard to reasonable expectations of potential future returns. This was most obviously true in Japan.

There has been a serious world recession, too. Economic growth in the OECD member states has slowed from 2.7 per cent in the 1980s to 1.8 in the 1990s (although a marked

acceleration is under way). Inflation also has slowed sharply around the world, not least in the UK where it averaged 6.9 per cent in the 1980s but has fallen recently to the 2 to 3 per cent range. These economic trends generally have been favourable to bonds, although recent signs of economic over-expansion in the US have hurt bonds badly.

The failure of equities to generate a higher investment return in recent years - the so-called "risk premium" earned normally by investors from risky rather than safe assets - has led to considerable investment theorising. Last month, a paper called *The Bias Premium on Ordinary Shares* was published by the Institute and Faculty of Actuaries. In it, David Wilkie discusses the reasons for the historical existence of an equity risk premium over bond returns as wide as 7 per cent.

He points out that when actuaries make valuations of pension schemes, they assume a much lower extra return on equities - of the order of 1 to 2 per cent. Perhaps that reflects professional caution but, certainly, the 7 per cent figure is an historical aberration which is related, in broad terms, to unanticipated post-war inflation and (although Wilkie does not say this) to the isolation of the British capital markets during a 40-year period of foreign exchange controls. As for the future, Wilkie thinks it would be reasonable to expect 3 per cent in the long run.

Such a future pattern of returns, however, could be assumed only from the starting point of an equilibrium relationship between bond and equity yields. Recently, though, the yield ratios have looked rather stretched and equities therefore over-valued, especially in the US, although there has been a degree of correction within the past two months.

The UK yield ratio has dropped over the past few weeks from 2.3 to 2.1: this, to my mind, is still too high for a period of low inflation, but opinions differ. A fall in the ratio towards, say, 1.75 would generate further outperformance by bonds in the short to medium term. On the other hand, equity dividends are now growing strongly, which they were not in the early 1980s, and this is

positive for shares. Certainly, the recent outperformance by bonds can be regarded as exceptional but it is not necessarily temporary. In UK terms it marks a definite break with an inflationary past.

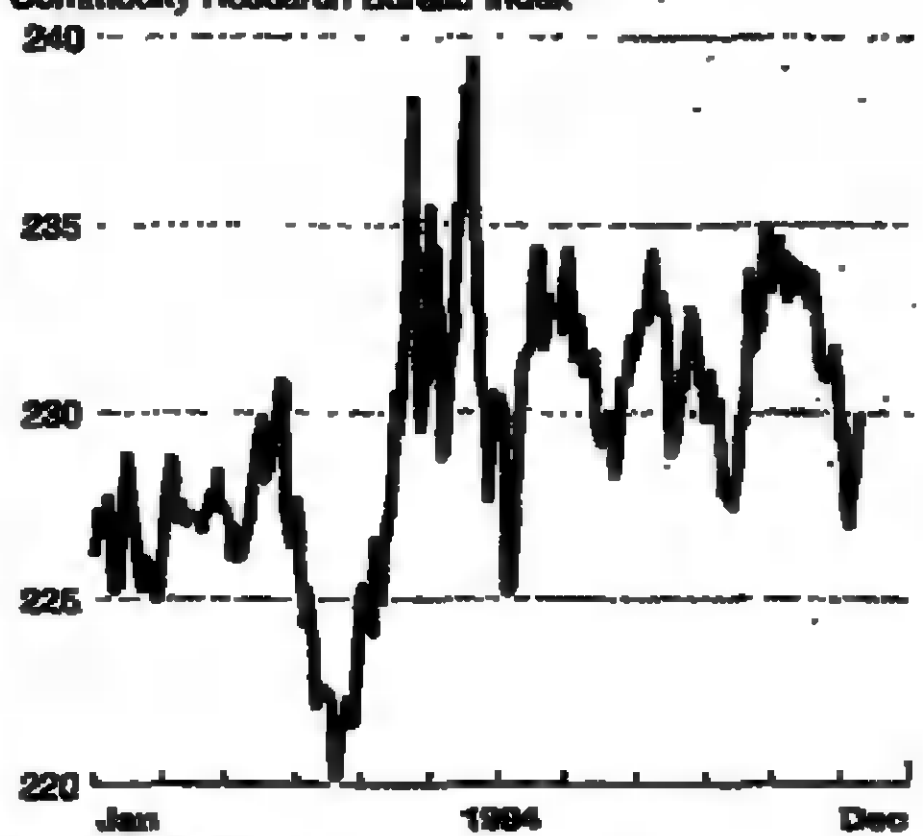
This change is putting pressure on investment institutions. The average UK equity unit trust, for instance, has performed rather worse over the past five years (when it has returned a modest 6.4 per cent annually) than the average gilt and fixed interest trust (which has returned 6.9 per cent). But unit trust companies are geared overwhelmingly to promote equity funds - which, counting only the UK sectors, are worth £45.5bn against merely £1.5bn for gilt funds.

Similarly, many pension scheme trustees in the UK are wondering about the level of risk associated with their typical 80 to 85 per cent exposure to equities. Such an investment strategy might have made sense in the 1980s, when the equity risk premium was running at 9 per cent, but does not look so clever when the risk premium temporarily has gone negative and might be only 3 per cent in future.

After five years, we are halfway to the millennium. In the 21st century, you can bet that equities will again outperform in the long run. But the 1990s could yet be the decade of the bond.

Commodities

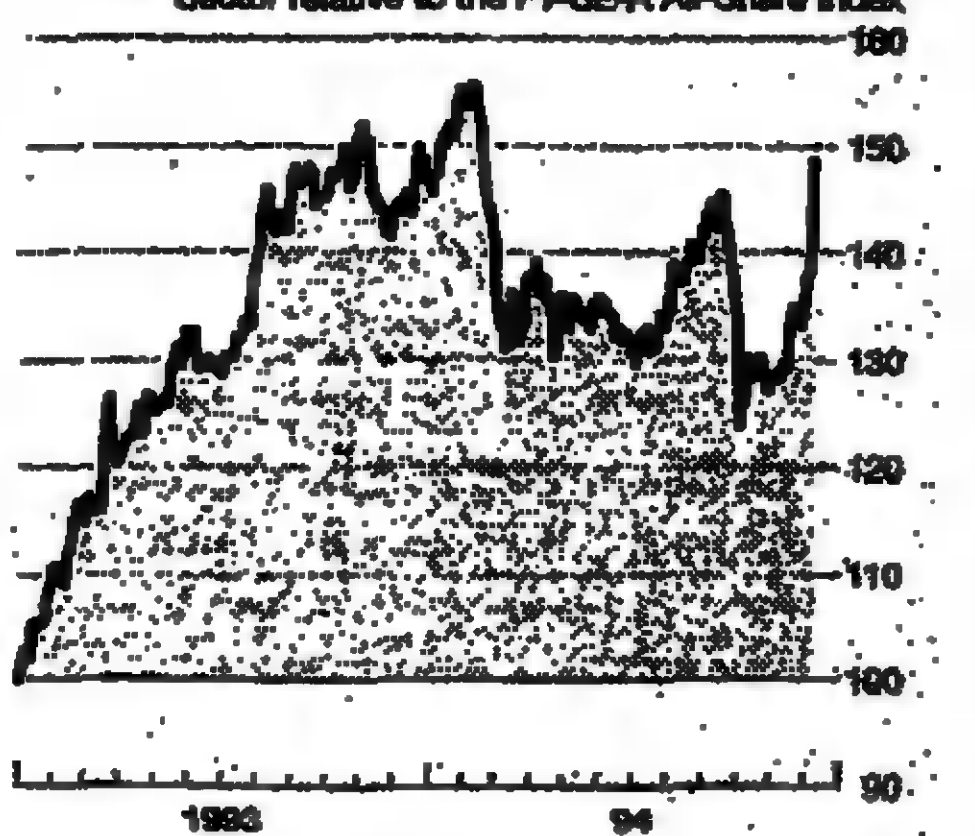
Commodity Research Bureau Index



Source: Datastream

Merchant banks

Sector relative to the FT-SE-A All-Share index



Highlights of the week

	Price y/day	Change on week	1994 High	1994 Low	
FT-SE 100	2877.3	-40.0	3220.3	2876.0	
Avon Rubber	482	-28	639	474	Interest rates rise
Boots	464	-28.5	601	464	Profile weakness
Cable & Wireless	380	-13	543	359	Brokers downgrade
Fine Art Dvcs	375	-54	558	375	Hong Kong stock market slides
Glanco	628	+15	725	520	Caution on 2nd half
Hewlett	155	+57	205	85	Bad news for Astra
Kinofisher	418	-38	776	418	New management
Kleinwort Benson	597	+58	689	424	Christmas trading worries
Northern Electric	851	+28	980	588	Bid candidate
Portals	833	+132	963	513	Bid speculation
Stagecoach	281	+18	282	158	De La Rue interest
Thorn EM	1011	+16	1165	959	Acquisition moves
VSEL	1838	-192	1948	980	Bid speculation
Warburg (SG)	789	+128	1012	688	Bids referred to MMC
					Merger talks

سكنا من الامن

lationalary pa

Christopher Brown-Humes on the Finnish bourse

leading banks and slow recovery from the country's 1992 financial crisis.

Global bond market turbulence has weighed on the non-Nokia market. Corporate share issues and an increase in the pace of the Finnish privatisation programme have also soaked up liquidity.

Finally, foreign investors, whose heavy buying of Finnish shares in the last two years has helped to drive prices up so sharply, have been locking in gains. Last month foreigners were net sellers of Finnish shares for the first time since September 1992.

bankruptcy still taking their toll. The index was little changed on the week.

Banks provided the day's feature. CS Holding, which announced plans on Thursday for a single class of registered share, saw the registered hold steady at SF105 while the bearers declined SF14 to SF164.

SBC, which said it had no plans to follow CS Holding and UBS in creating a single share class, fell SF16 to SF165.

Interdiscuss, the electronics retailer, extended the week's sharp loss on analysts' lower earnings forecasts, declining SF170 to SF17440.

Written and edited by William Cochrane, John Pitt and Michael Morgan

SOUTH AFRICA

Shares in Johannesburg followed Wall Street's decline in this volume. The overall index rose 30.10, or 1.1 per cent, to 5,497.9, industrials 47.3 at 5,555.4 and golds 46.8 at 1,904.8.

Among individual stocks Anglo lost R2.50 to R233, SAB R2.50 to R35.50 and Kloof R1.75 to R56.

liquidity squeeze and the composite index lost 18.03 to 1,087.67, for a 1.5 per cent decline on the week.

Dealers said rumours that the central bank would allow it to raise interest rate institutions would soon be confirmed. Institutions' \$200.1,300m worth of monetary stabilisation bonds chilled sentiment, while news that a securities watchdog would inspect recent rises as an anti-corruption measure took its toll on a rally led by smaller-capitalisation companies.

SYDNEY retreated to a 16-month low with the All Ordinaries index closing down 24.1, or 1.3 per cent, at 1,850.9, a week's fall of 1.6 per cent. Turnover was A\$326.3m.

Among the movers BHP lost 14 cents to A\$18.56, CRA 28 cents to A\$17.19 and News Corp 13 cents to A\$4.57.

ANZ, a micro and other banks with a decline of \$1.49 in the composite index to 1,504.87, slightly up since the previous Friday after a strong performance earlier in the week. Petron dipped 3.6 per cent to 18.75 pesos while PLDT edged 3.3 per cent to 1,275 pesos.

	On Friday		On the week	
	Flows	Falls	Flows	Falls
British Funds	80	0	10	136
Other Fixed Interest	2	0	12	2
Mineral Extraction	65	67	73	398
General Investment	57	221	360	840
Consumer Goods	15	79	82	162
Services	36	158	267	521
Utilities	4	30	9	50
Financials	76	105	184	357
Government Trusts	28	260	152	725
Others	28	56	92	207
Total	357	1,008	1,211	3,785

Flows based on three companies listed on the London Stock Exchange

[illegible]

	Dec 6	% chg	Dec 7	Dec 8	Year ago	Gross yld %	32 week High
All Issues (34)	1099.00	-0.8	1074.40	1020.40	2307.67	2.31	2067.00 1702.00
Regional Issues							
Asia (14)	2590.00	-0.4	2611.20	2600.50	2361.04	4.54	2711.67 2304.40
Europe (17)	2513.25	-0.3	2516.70	2522.00	2352.40	2.23	2613.00 2177.00
US America (1)	1480.21	-0.8	1471.70	1420.86	1838.17	0.91	2008.00 1417.00

Copyright, The Financial Times Limited 1994.
 Prices in brackets show number of companies. Basis US Dollars. Note: Sales Volume 7000.00 5147.00

TRADITIONAL OPTIONS			
First Dealings	December 5	Expiry	March
Last Dealings	December 16	Settlement	March

Call: Bolton, Comertons, Royal Bk. Scot. Plc & Call: Signet

Line	Part no	Mfr. cost (\$/in.)	1984		Current price \$	Mfr. cost \$	Dis. cov. %	Gross %
			High	Low				
150	F.P.	81.0	151	145	Ashtabuck	151	WN3.0	2.1
100	F.P.	47.3	94	80	Asstt Main Inv	94	41	-
100	F.P.	20.4	102	102	ENCL	102	FN3.5	-
100	F.P.	20.4	101	101	Enclidion	101	-	2.8
141	F.P.	23.0	140	140	Survellat	140	-	1.8
100	F.P.	10.0	485	485	Police Sptr Unit	485	-	10
100	F.P.	10.0	485	485	Police Sptr Unit	485	-	10
\$10	F.P.	37.5	828	81	Plt Printing Pl	828	-	-
100	F.P.	45.5	94	91	Plum Main Inv	91	-	-
100	F.P.	30.0	102	102	Plt Gm C	102	-	1
100	F.P.	10.3	102	98	Plum Main Inv	101	-	-
100	F.P.	10.3	83	83	Hydro Int	83	-	-
100	F.P.	10.3	83	83	Hydro Int	83	-	-
215	F.P.	22.0	222	222	10M Sports	220	FN3.0	2.4
100	F.P.	37.0	102	102	10M Sports	100	F4.0	5.0
100	F.P.	43.0	94	94	32 Medium Lays	98	41	-
100	F.P.	43.0	94	94	32 Medium Lays	98	41	-
-	F.P.	4.8	48	48	27 Warenta	37 1/2	-	-
-	F.P.	145	145	145	RAP TUG	145	FN4.5	-
121	F.P.	236.0	125	125	Verhation Uil	125	-	-
100	F.P.	236.0	125	125	Verhation Uil	125	-	-
170	F.P.	18.0	178	185	Tele-Chie Cell	185	FN4.4	2.2
170	F.P.	18.0	178	185	Tele-Chie Cell	185	-	1

Issue price	Amount paid up	Latest Return date	1984	Low	Stock	Closing price	+/-
190	Ni	25/1	55pm	29pm	Cowle	29pm	
236	Ni	5/1	80pm	54pm	QML	69pm	-1
37	Ni	3/1	5pm	2pm	QML	2pm	
285	Ni	8/1	57½	30	Saxon Health	30	
225	Ni	16/1	4pm	3pm	Usborne	4pm	

[illegible]

**Advertise your property to approximately
1 million FT readers in 160 countries.
For details:
Call Emma Mullaly on +44 71 873 3574
or Fax: +44 71 873 3098**

MARKETS REPORT

Dollar steady

Concern about Orange County bankruptcy developments and weak US stocks kept the dollar trading in a narrow range yesterday, writes Philip Gault.

With no fresh economic data to trade off, markets had a quiet day. The dollar closed in London at DM1.5773, from DM1.5771, and at ¥100.186 from ¥100.185.

The most interesting event was the decision by parliamentary supervisors in Finland to reject a proposal by the central bank to raise the base rate by 50 basis points to 5.75 per cent. The bank did, however, raise its key money market rate, the tender rate, to 5.5 per cent, from 5.01 per cent.

Sterling finished the day slightly weaker, constrained by political worries and an opinion poll showing the Labour Party with a 39.5 percentage point lead over the ruling Conservative party. It closed at DM2.4601, from DM2.4674.

In Europe, the D-Mark finish-

ing slightly weaker against most currencies.

Ms Sirikka Hamalainen, Bank of Finland governor, downplayed the significance of the rejected base rate increase. She said the tender rate was "much more important" from a monetary policy perspective.

Ms Hamalainen said the base rate was more an instrument for distribution of income than a key monetary tool.

She said the board of management had been unanimous that it would have been a good signal to raise the base rate. "I think it would have had a positive effect on inflation expectations," said Ms Hamalainen.

The most recent Merrill

Dollar

DM per \$

1.58

1.57

1.56

1.55

1.54

1.53

1.52

1.51

1.50

1.49

1.48

1.47

1.46

1.45

1.44

1.43

1.42

1.41

1.40

1.39

1.38

1.37

1.36

1.35

1.34

1.33

1.32

1.31

1.30

1.29

1.28

1.27

1.26

1.25

1.24

1.23

1.22

1.21

1.20

1.19

1.18

1.17

1.16

1.15

1.14

1.13

1.12

1.11

1.10

1.09

1.08

1.07

1.06

1.05

1.04

1.03

1.02

1.01

1.00

0.99

0.98

0.97

0.96

0.95

0.94

0.93

0.92

0.91

0.90

0.89

0.88

0.87

0.86

0.85

0.84

0.83

0.82

0.81

0.80

0.79

0.78

0.77

0.76

0.75

0.74

0.73

0.72

0.71

0.70

0.69

0.68

0.67

0.66

0.65

0.64

0.63

0.62

0.61

Sterling

£ per \$

1.58

1.57

1.56

1.55

1.54

1.53

1.52

1.51

1.50

1.49

1.48

1.47

1.46

1.45

1.44

1.43

1.42

1.41

1.40

1.39

1.38

1.37

1.36

1.35

1.34

1.33

1.32

1.31

1.30

1.29

1.28

1.27

1.26

1.25

1.24

1.23

1.22

1.21

1.20

1.19

1.18

1.17

1.16

1.15

1.14

1.13

1.12

1.11

1.10

1.09

1.08

1.07

1.06

1.05

1.04

1.03

1.02

1.01

1.00

0.99

0.98

0.97

0.96

0.95

0.94

0.93

0.92

0.91

0.90

0.89

0.88

0.87

0.86

0.85

0.84

0.83

0.82

0.81

0.80

0.79

0.78

0.77

0.76

0.75

0.74

0.73

0.72

0.71

0.70

0.69

0.68

0.67

0.66

0.65

0.64

0.63

0.62

0.61

Euro

€ per \$

1.58

1.57

1.56

1.55

1.54

1.53

1.52

1.51

1.50

1.49

1.48

1.47

1.46

1.45

1.44

1.43

1.42

1.41

1.40

1.39

1.38

1.37

1.36

1.35

1.34

1.33

1.32

1.31

1.30

1.29

1.28

1.27

1.26

1.25

1.24

1.23

1.22

1.21

1.20

1.19

1.18

1.17

1.16

1.15

1.14

1.13

1.12

1.11

1.10

1.09

1.08

1.07

1.06

1.05

1.04

1.03

1.02

1.01

1.00

0.99

0.98

0.97

0.96

0.95

0.94

0.93

0.92

0.91

0.90

0.89

0.88

0.87

0.86

0.85

0.84

0.83

0.82

0.81

0.80

0.79

0.78

0.77

0.76

0.75

0.74

0.73

0.72

0.71

0.70

0.69

0.68

0.67

0.66

0.65

0.64

0.63

0.62

0.61

Sterling

£ per \$

1.58

1.57

1.56

1.55

1.54

1.53

1.52

1.51

1.50

1.49

1.48

1.47

1.46

1.45

1.44

1.43

1.42

1.41

1.40

1.39

1.38

1.37

1.36

1.35

1.34

1.33

1.32

1.31

1.30

1.29

1.28

1.27

1.26

1.25

1.24

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper bounces to fresh highs

The London Metal Exchange copper market recovered from a mid-week shake-out to climb yesterday in a fresh four-year peak. The three months price closed at \$2,597.50 a tonne, \$22.50 below the day's high but \$80.50 above Wednesday's low.

The upturn started in earnest on Thursday as traders looked forward to the announcement yesterday morning a sizeable reduction in LME warehouse stocks of the metal. They were not dis-

appointed - the stocks total was down 4.4 per cent from 304,278 tonnes - and renewed speculative buying was encouraged. The heavy stocks drawdown was thought to reflect physical shipments to China, and more is expected to be heading in that direction over the next few weeks.

The other main bullish factor affecting copper was continuing tightness of nearby availability, which resulted in the cash/three months premium widening to \$60 from \$41 at the end of last week.

Aluminium stocks were down a little more than copper's but the fall was relatively modest by recent standards. In any case, continuing erosion of the LME stockpile is taken for granted as internationally agreed production cuts work through to the market.

An early attempt yesterday to push the three months LME price back through the \$1,900-a-tonne mark ran into overvalued resistance and the price subsided to \$1,877.50 at the close, down \$67.50 on the week but \$17.50 off Wednesday's low.

The nickel market held on to

most of last week's spectacular advance as uncertainty about the situation at Russia's troubled Norilsk complex, the world's biggest producer of the metal, discouraged sellers. The three months price touched a fresh 3 1/2-year high of \$8,900 a tonne on Monday but ended the week at \$8,865, down \$87.50 on balance.

Silver continued to lead the retreat in the precious metals markets. Support above \$4.90 a troy ounce was broken by renewed investment fund selling on Monday and the London cash price closed yesterday at \$4.65, adding 23.50 cents to last week's 25-cent fall.

Gold fared little better, falling \$1.50 overall to \$377.50 an ounce. But dealers were looking for a rally. "The market is overvalued," one told the Reuters news agency, "and the reluctance of people to go long now may give any technical bounce more impetus when it eventually happens."

At the London Commodity Exchange March delivery robusta coffee futures briefly pushed above \$2,900 a tonne in mid-week. But buyers backed off after the publication of a Brazilian stock audit, which was broadly in line with recent market estimates. The price closed yesterday at \$2,805 a tonne, up \$23 on the week.

The mild northern winter continued to weigh on the oil market, pushing prices at London's International Petroleum Exchange below \$16 a barrel on Monday. Buyers were attracted at that level, however, and in late trading yesterday the February position was showing a modest rise on the week.

A buoyant shipping market lifted the LCE's Baltic Freight Index above 2,000 points for the first time in its history on Thursday. The index, which forms the basis for Biffert freight futures, reached 2,077 yesterday, up 77 on the week. Three months ago it was at 1,435.

"These are volatile times for the market driven by a significant build-up in international trade for grain and minerals, said Philippe van den Abele, chairman of the LCE Biffert market committee.

Richard Biffert

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amsterdam Metal Trading)

ALUMINIUM 99.7 PURITY (\$ per tonne)

	Close	3 mths
Close	1870-50	1870-50
Previous	1870-50	1870-50
High/Low	1870-50	1870-50
AM Official	1870-50	1870-50
Kerb close	1870-50	1870-50
Open int.	255,635	63,730
Total daily turnover	33,730	

ALUMINIUM ALLOY (\$ per tonne)

	Close	3 mths
Close	1820-55	1820-55
Previous	1820-55	1820-55
High/Low	1820-55	1820-55
AM Official	1820-55	1820-55
Kerb close	1820-55	1820-55
Open int.	2,871	2,871
Total daily turnover	685	

LEAD (\$ per tonne)

	Close	3 mths
Close	637-5.5	637-5
Previous	637-5	637-5
High/Low	637-5	637-5
AM Official	637-5	637-5
Kerb close	637-5	637-5
Open int.	48,017	7,790
Total daily turnover	7,790	

NICKEL (\$ per tonne)

	Close	3 mths
Close	8725-35	8900-70
Previous	8725-35	8900-70
High/Low	8725-35	8900-70
AM Official	8725-35	8900-70
Kerb close	8725-35	8900-70
Open int.	98,885	9,878
Total daily turnover	9,878	

TIN (\$ per tonne)

	Close	3 mths
Close	8980-90	9070-5
Previous	8980-90	9070-5
High/Low	8980-90	9070-5
AM Official	8980-90	9070-5
Kerb close	8980-90	9070-5
Open int.	25,121	25,121
Total daily turnover	25,121	

ZINC, special high grade (\$ per tonne)

	Close	3 mths
Close	1124-5.5	1128-5
Previous	1124-5.5	1128-5
High/Low	1124-5.5	1128-5
AM Official	1124-5.5	1128-5
Kerb close	1124-5.5	1128-5
Open int.	108,307	33,094
Total daily turnover	33,094	

COPPER, grade A (\$ per tonne)

	Close	3 mths
Close	2937-5	2937-5
Previous	2937-5	2937-5
High/Low	2937-5	2937-5
AM Official	2937-5	2937-5
Kerb close	2937-5	2937-5
Open int.	245,070	65,510
Total daily turnover	65,510	

LME AM Official 2 1/2 rates 1,998

Spec 1,991 3 mths 1,998 3 mths 1,998

HIGH GRADE COPPER COMEX

	Close	3 mths
Close	1215-10	1215-10
Previous	1215-10	1215-10
High/Low	1215-10	1215-10
AM Official	1215-10	1215-10
Kerb close	1215-10	1215-10
Open int.	1215-10	1215-10
Total daily turnover	1215-10	

WEEKLY PRICE CHANGES

	Latest price	Change on week	Year ago	1994 Low
Gold per troy oz.	\$377.50	-1.5	\$382.75	\$368.50
Silver per troy oz.	\$4.65	-0.14	\$4.80	\$4.30
Aluminium 99.7% (cash)	\$1,877.50	-7.0	\$1,945.00	\$1,810.00
Copper Grade A (cash)	\$2,805.00	-15	\$2,820.00	\$2,710.00
Lead (cash)	\$637.55	-0.05	\$640.00	\$625.00
Nickel (cash)	\$8,865.00	-22	\$8,950.00	\$8,500.00
Tin (cash)	\$9,070.00	-10	\$9,100.00	\$8,800.00
Aluminium alloy	\$1,877.50	-7.0	\$1,945.00	\$1,810.00
Copper Grade A (cash)	\$2,805.00	-15	\$2,820.00	\$2,710.00
Lead (cash)	\$637.55	-0.05	\$640.00	\$625.00
Nickel (cash)	\$8,865.00	-22	\$8,950.00	\$8,500.00
Tin (cash)	\$9,070.00	-10	\$9,100.00	\$8,800.00
Aluminium alloy	\$1,877.50	-7.0	\$1,945.00	\$1,810.00
Copper Grade A (cash)	\$2,805.00	-15	\$2,820.00	\$2,710.00
Lead (cash)	\$637.55	-0.05	\$640.00	\$625.00
Nickel (cash)	\$8,865.00	-22	\$8,950.00	\$8,500.00
Tin (cash)	\$9,070.00	-10	\$9,100.00	\$8,800.00
Aluminium alloy	\$1,877.50	-7.0	\$1,945.00	\$1,810.00
Copper Grade A (cash)	\$2,805.00	-15	\$2,820.00	\$2,710.00
Lead (cash)	\$637.55	-0.05	\$640.00	\$625.00
Nickel (cash)	\$8,865.00	-22	\$8,950.00	\$8,500.00
Tin (cash)	\$9,070.00	-10	\$9,100.00	\$8,800.00

For latest prices visit our website at www.ft.com

© 1994 Financial Times Ltd. All rights reserved.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

Coupon	Rate	Price	Yield	Week ago	Month ago
Australia	6.50%	99.04	10.00	10.00	10.00
Belgium	7.75%	100.04	10.00	10.00	10.00
Canada	8.00%	100.04	10.00	10.00	10.00
Denmark	7.00%	100.04	10.00	10.00	10.00
France	8.00%	100.04	10.00	10.00	10.00
Germany	7.50%	100.04	10.00	10.00	10.00
Italy	8.50%	100.04	10.00	10.00	10.00
Japan	5.00%	100.04	10.00	10.00	10.00
Netherlands	6.00%	100.04	10.00	10.00	10.00
Spain	7.00%	100.04	10.00	10.00	10.00
UK Gilt	8.00%	100.04	10.00	10.00	10.00
US Treasury	7.00%	100.04	10.00	10.00	10.00
ECU (French Govt)	6.00%	100.04	10.00	10.00	10.00

Source: Reuters, London, 10 Dec 1994

© 1994 Financial Times Ltd. All rights reserved.

ECONOMIC DIARY - FORWARD EVENTS

TODAY: National symposium on

on Serb unification in Belgrade.

TOMORROW: Islamic foreign

ministers meet in Casablanca

ahead of Organisation of

Islamic Conference on Tuesday.

MONDAY: Producer price

index numbers (November).

G10 central bank governors

meet in Basel. EU agriculture

ministers meet in Brussels.

TUESDAY: Company liquidity

(third quarter). New construction

orders (October). Capital

issues and redemptions

(November). CBI survey of

distributive trades (November).

US producer price index

(November). Retail sales

(November). Mr John Major,

prime minister, launches inter-

national conference on invest-

ment in Northern Ireland in

Belfast.

WEDNESDAY: Retail prices

index (November). Labour

market statistics: unemployment

and unfilled vacancies (Novem-

ber-provisional). Average earn-

ings index (October provision-

al). Employment, hours, produc-

tivity and unit wage costs; industrial

disputes.

FRIDAY: Stable steel produc-

tion (November). CBI monthly

trends enquiry (December).

Public sector borrowing

requirement (November). GB

cinema exhibitors (third quar-

ter). Financial statistics

(December). Financial statis-

tics explanatory handbook

(1994). Digest of agricultural

census statistics for the UK

(1993). US housing starts

(November). Mercosur group

summit in Brazil.

DO YOU WANT TO KNOW A SECRET?

The U.S. Govt. Securities will show you how the market REALLY works. The amazing

trading techniques of the legendary W.D. Gann can increase your profits and control your

losses. How? That's the secret. Ring 011 474 0080 to book your FREE place.

INDEXIA II Plus

Technical Analysis Software

101 (0452) 879015 - 101 (0452) 879015

© 1994 Financial Times Ltd. All rights reserved.

WEEK IN THE MARKETS

Copper bounces to fresh highs

The London Metal Exchange copper market recovered from a mid-week shake-out to climb

yesterday in a fresh four-year peak. The three months price closed at \$2,597.50 a tonne,

\$22.50 below the day's high but \$80.50 above Wednesday's low.

The upturn started in earnest on Thursday as traders looked forward to the announcement

yesterday morning a sizeable reduction in LME warehouse stocks of the metal. They were not dis-

appointed - the stocks total was down 4.4 per cent from 304,278 tonnes - and renewed speculative

buying was encouraged. The heavy stocks drawdown was thought to reflect physical shipments

to China, and more is expected to be heading in that direction over the next few weeks.

The other main bullish factor affecting copper was continuing tightness of nearby availability,

which resulted in the cash/three months premium widening to \$60 from \$41 at the end of last week.

Aluminium stocks were down a little more than copper's but the fall was relatively modest by

recent standards. In any case, continuing erosion of the LME stockpile is taken for granted as

internationally agreed production cuts work through to the market.

An early attempt yesterday to push the three months LME price back through the \$1,900-a-

tonne mark ran into overvalued resistance and the price subsided to \$1,877.50 at the close,

down \$67.50 on the week but \$17.50 off Wednesday's low.

The nickel market held on to

most of last week's spectacular advance as uncertainty about the situation at Russia's troubled

Norilsk complex, the world's biggest producer of the metal, discouraged sellers. The three months

price touched a fresh 3 1/2-year high of \$8,900 a tonne on Monday but ended the week at \$8,865,

down \$87.50 on balance.

Silver continued to lead the retreat in the precious metals markets. Support above \$4.90 a

troy ounce was broken by renewed investment fund selling on Monday and the London cash

price closed yesterday at \$4.65, adding 23.50 cents to last week's 25-cent fall.

Gold fared little better, falling \$1.50 overall to \$377.50 an ounce. But dealers were looking for a

rally. "The market is overvalued," one told the Reuters news agency, "and the reluctance of

people to go long now may give any technical bounce more impetus when it eventually happens."

At the London Commodity Exchange March delivery robusta coffee futures briefly

pushed above \$2,900 a tonne in mid-week. But buyers backed off after the publication of a

Brazilian stock audit, which was broadly in line with recent market estimates. The price

closed yesterday at \$2,805 a tonne, up \$23 on the week.

The mild northern winter continued to weigh on the oil market, pushing prices at

London's International Petroleum Exchange below \$16 a barrel on Monday. Buyers were

attracted at that level, however, and in late trading yesterday the February position was

showing a modest rise on the week.

A buoyant shipping market lifted the LCE's Baltic Freight Index above 2,000 points for the

first time in its history on Thursday. The index, which forms the basis for Biffert freight

futures, reached 2,077 yesterday, up 77 on the week. Three months ago it was at 1,435.

"These are volatile times for the market driven by a significant build-up in international

trade for grain and minerals, said Philippe van den Abele, chairman of the LCE Biffert

market committee.

Richard Biffert

WEEKLY PRICE CHANGES

Latest price Change on week Year ago 1994 Low

Gold per troy oz. \$377.50 -1.5 \$382.75 \$368.50

Silver per troy oz. \$4.65 -0.14 \$4.80 \$4.30

Aluminium 99.7% (cash) \$1,877.50 -7.0 \$1,945.00 \$1,810.00

Copper Grade A (cash) \$2,805.00 -15 \$2,820.00 \$2,710.00

Lead (cash) \$637.55 -0.05 \$640.00 \$625.00

Nickel (cash) \$8

هكذا من الاصل

● FT Cityline Unit Trust: Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 878 4878 for more details.

BERMUDA (SR RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)()**

[illegible]**IRELAND (SIB RECOGNISED)**[illegible]

IRELAND (REGULATED)

	Yield	Rating	YTD
AMF Fund Management Ltd			
AMF Growth Fund	10.00%	BBB	11.11
AMF Income Fund	10.00%	BBB	11.11
AMF International Fund	10.00%	BBB	11.11
AMF Real Estate Fund	10.00%	BBB	11.11
AMF Small Cap Fund	10.00%	BBB	11.11
AMF Tech Fund	10.00%	BBB	11.11
AMF Value Fund	10.00%	BBB	11.11
AMF World Fund	10.00%	BBB	11.11
AMF Zero Bond Fund	10.00%	BBB	11.11
AMF Zero Bond Fund II	10.00%	BBB	11.11
AMF Zero Bond Fund III	10.00%	BBB	11.11
AMF Zero Bond Fund IV	10.00%	BBB	11.11
AMF Zero Bond Fund V	10.00%	BBB	11.11
AMF Zero Bond Fund VI	10.00%	BBB	11.11
AMF Zero Bond Fund VII	10.00%	BBB	11.11
AMF Zero Bond Fund VIII	10.00%	BBB	11.11
AMF Zero Bond Fund IX	10.00%	BBB	11.11
AMF Zero Bond Fund X	10.00%	BBB	11.11
AMF Zero Bond Fund XI	10.00%	BBB	11.11
AMF Zero Bond Fund XII	10.00%	BBB	11.11
AMF Zero Bond Fund XIII	10.00%	BBB	11.11
AMF Zero Bond Fund XIV	10.00%	BBB	11.11
AMF Zero Bond Fund XV	10.00%	BBB	11.11
AMF Zero Bond Fund XVI	10.00%	BBB	11.11
AMF Zero Bond Fund XVII	10.00%	BBB	11.11
AMF Zero Bond Fund XVIII	10.00%	BBB	11.11
AMF Zero Bond Fund XIX	10.00%	BBB	11.11
AMF Zero Bond Fund XX	10.00%	BBB	11.11
AMF Zero Bond Fund XXI	10.00%	BBB	11.11
AMF Zero Bond Fund XXII	10.00%	BBB	11.11
AMF Zero Bond Fund XXIII	10.00%	BBB	11.11
AMF Zero Bond Fund XXIV	10.00%	BBB	11.11
AMF Zero Bond Fund XXV	10.00%	BBB	11.11
AMF Zero Bond Fund XXVI	10.00%	BBB	11.11
AMF Zero Bond Fund XXVII	10.00%	BBB	11.11
AMF Zero Bond Fund XXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund XXIX	10.00%	BBB	11.11
AMF Zero Bond Fund XXX	10.00%	BBB	11.11
AMF Zero Bond Fund XXXI	10.00%	BBB	11.11
AMF Zero Bond Fund XXXII	10.00%	BBB	11.11
AMF Zero Bond Fund XXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund XXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund XXXV	10.00%	BBB	11.11
AMF Zero Bond Fund XXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund XXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund XXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund XXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund XL	10.00%	BBB	11.11
AMF Zero Bond Fund XLI	10.00%	BBB	11.11
AMF Zero Bond Fund XLII	10.00%	BBB	11.11
AMF Zero Bond Fund XLIII	10.00%	BBB	11.11
AMF Zero Bond Fund XLIV	10.00%	BBB	11.11
AMF Zero Bond Fund XLV	10.00%	BBB	11.11
AMF Zero Bond Fund XLVI	10.00%	BBB	11.11
AMF Zero Bond Fund XLVII	10.00%	BBB	11.11
AMF Zero Bond Fund XLVIII	10.00%	BBB	11.11
AMF Zero Bond Fund XLIX	10.00%	BBB	11.11
AMF Zero Bond Fund L	10.00%	BBB	11.11
AMF Zero Bond Fund LI	10.00%	BBB	11.11
AMF Zero Bond Fund LII	10.00%	BBB	11.11
AMF Zero Bond Fund LIII	10.00%	BBB	11.11
AMF Zero Bond Fund LIV	10.00%	BBB	11.11
AMF Zero Bond Fund LV	10.00%	BBB	11.11
AMF Zero Bond Fund LVI	10.00%	BBB	11.11
AMF Zero Bond Fund LVII	10.00%	BBB	11.11
AMF Zero Bond Fund LVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LIX	10.00%	BBB	11.11
AMF Zero Bond Fund LX	10.00%	BBB	11.11
AMF Zero Bond Fund LXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXV	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXVIII	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXIX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXX	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXI	10.00%	BBB	11.11
AMF Zero Bond Fund LXXXXXXXII	10.00%	BBB	

Chemical Ireland Fund Administrators

[illegible]

ISLE OF MAN (REGULATED) (14)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)

[illegible]

A loose insert talks to them directly.

*In fact, directly you have designed
an insert we will ensure it
receives the undivided
attention of our reader.
All **FT** Inserts appear **solus**.*

Find out more by calling
Mike or Jo on 9171 873 3362

No FT, no comment.

هكذا من الازل

OTHER OFFSHORE FUNDS



FT
FINANCIAL TIMES
Magazine

HEALTH CARE - Cont.

INVESTMENT TRUSTS - Cont.[illegible]

هكذا من الازل

FOR A HEADLINE *Go to*[illegible]

SOUTH AFRICAN		
	Notes	Price
Anglo Am Ind		324
Bancorp	\$	23 1/2
Gold Fields Prop R		118 1/2
NK Props		\$6
SASOL	7	481
SA Straws		214 1/2
Tiger Dist		763
Transvaal-Held	7 1/2	728 1/2

GUIDE TO LONDON

Prices for the London Share Series are based on the Financial Times & Stock Exchange.

Company classifications are based on the London Stock Exchange.

Closing mid-price are shown in pence, based on intra-day mid-price.


Where stocks are denominated in pounds, the price is indicated after the name.

Stocks relating to dividend stock splits are shown in pence and FIVE pence. The price is shown in pence.

Market capitalization shown is in millions of pounds.

[illegible]

FT Cityline
Up-to-the-second share
telephone from the UK
Monday's share price p
An international service
outside the UK, annual
Call 071-873 4378 (44
for more information

FT Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with  Please quote the code FT2918. Ring 081-770 0770 (open 24 hours including weekends) or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to availability.

FT Cityline
Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg. Tel 01-873 8783 (44 7 873 4878). International fax numbers for more information on FT Cityline.

سكرا من الاصل

Weekend FT

Some time in the next 10 days, HMS Vanguard, Britain's first Trident submarine, will slip below the waters of Loch Long and head for the river Clyde. On board will be a crew of 120 officers and men along with 16 Trident intercontinental missiles, each carrying up to six nuclear warheads capable of destroying a city the size of Manchester.

Vanguard had those warheads fitted last week at Coulport, Britain's main nuclear weapons store. It was a delicate operation and the finishing touch to a programme which has taken almost 10 years. Now the warheads are mounted on Trident missiles and a few final tests are being run. When they are completed, Vanguard will simply fade away.

Since the collapse of the Soviet Union, the idea that Vanguard might fire five warheads at a city has come to seem remote, unimaginable, to many people.

But her crew must be ready, day and night, to begin the routine which could kill 100m people, turn Russia's cities into rubble or, if such an order were conceivable, destroy Japan.

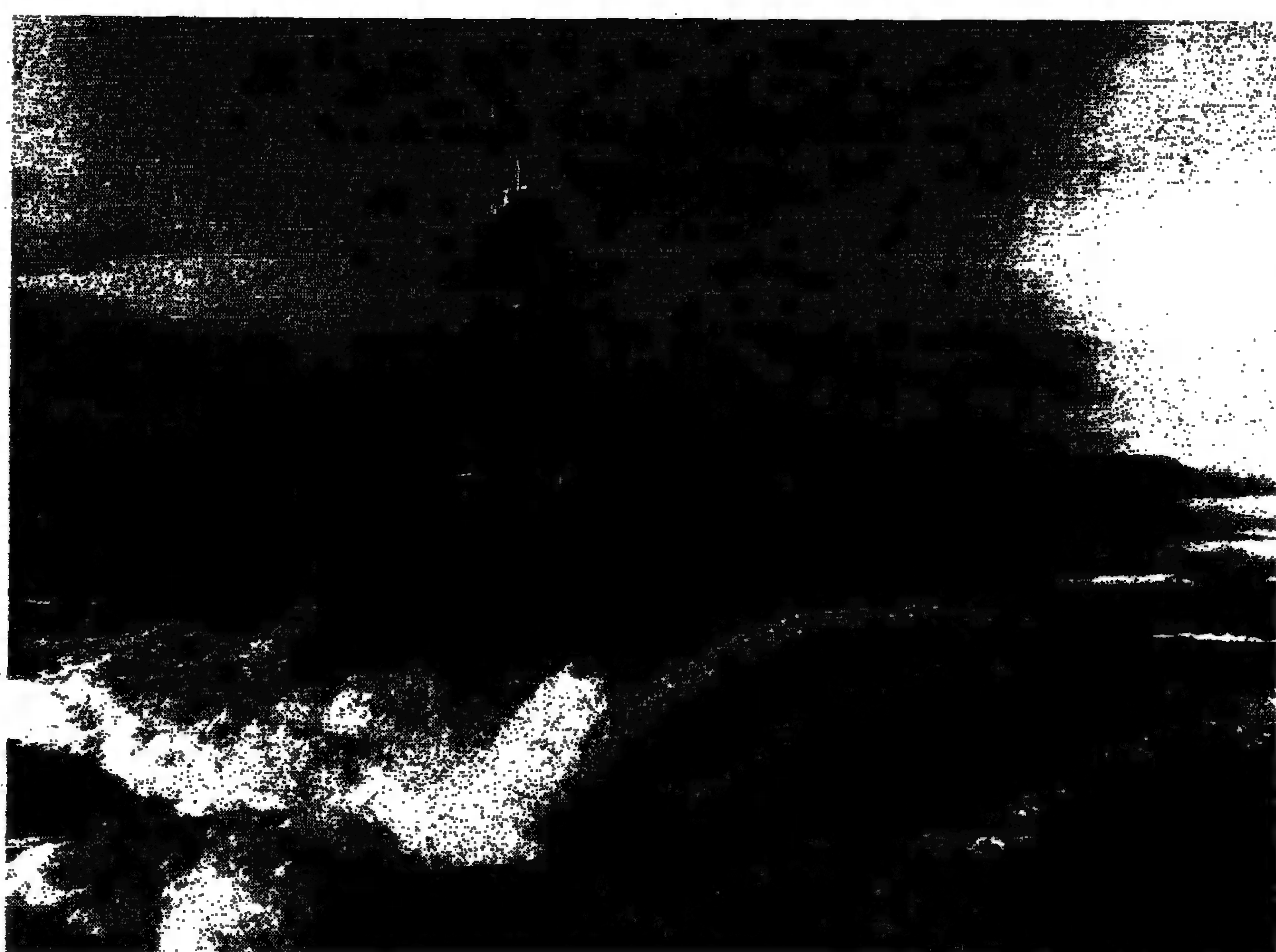
To meet this terrible responsibility and the psychological pressure which it brings, Vanguard's all-male crew can draw on the Royal Navy's long traditions of discipline and camaraderie in cramped quarters.

Old habits, which Winston Churchill described as "ruth, sodomy and the lash", have given way to a quiet professionalism and confidence that they are up to the challenge. Yet, to be cooped up under water waiting for the end of the world, must be a severe test of any tradition or individual.

The patrol which Vanguard is about to start is the first for Britain's new Trident nuclear deterrent, and the crew will be at sea for what they hope, will be a pretty boring three months. Well away from British waters, Vanguard hopes to cling around the North Atlantic at a steady but silent depth, avoiding contact with anyone and waiting for a signal.

If that day comes, the drill for firing the missiles will have been well-rehearsed. A cabinet decision, made on the advice of the chiefs of staff, will be sent to the Royal Navy's command bunker at Northwood near Watford, Herts. In extremis, that decision might have to be made by the prime minister and chief of the defence staff alone. From Northwood, the coded message would be sent via the very low frequency radio transmitter in the Midlands to Vanguard.

Once Vanguard receives the launch signal, the captain and weapons officer have to check the coded message, against copies locked in the submarine's safe. Both officers then have to use separate keys to give access to another safe which contains the pistol-grip



We all live in a Trident submarine

Bernard Gray meets the men who sleep with nuclear missiles

launch button. The Navy is disturbingly coy about whether the captain and the weapons officer working in collusion could launch the missiles without a valid authorisation from London. However, as the Senior Service, the Navy has in the past resisted the call for "interlocks" which would require a third political key onshore to fire the missiles. A naval officer's word is considered enough.

Legend has it that the firing button on both Polaris and Trident is a Colt 45 trigger. In reality it is a custom-made plastic grip. Hanging next to the safe, is what looks like a standard issue Metropolitan police truncheon. That may well be Britain's last line of

defence against someone running amok with the nuclear trigger.

The codes specifying the targets are fed from the submarine's computers into the missiles. Neither the captain nor the weapons officer knows what the string of numbers means, so they have no idea who will be destroyed by their missiles.

All they will know is that they are using war plan A, B, C or Z. Once the codes are entered the submarine moves up to just below the surface and the missile hatches open. The captain authorises the firing and the weapons officer uses his pistol grip to launch the missiles in a pre-set sequence.

Trident missiles are blown out of their tubes by an explosive charge. Only when they are out of the water and into the air does the main rocket motor kick in. Half way through the 4,000 mile, 40 minute flight, the missile, clear of the atmosphere, takes a star sighting to make sure it is on course, makes any necessary corrections and then fires its warheads towards their separate targets. Each would explode with about 100 times the force of the Hiroshima bomb.

The people who would fire these weapons are, by and large, family men, engaging and likeable middle class graduates who have won success rather than been born to it.

Intelligent and reflective people, the captains are typically in their 40s with weapons officers in their early 30s.

Vanguard has two crews which alternate. Both Commander Peter Wilkinson, who will captain the first patrol, and Commander Jim Boyd, his opposite number, have two daughters. Both have served in submarines for more than 30 years. Provided you steered clear of the subject of the use of nuclear weapons they and their fellow officers would make excellent dinner table guests.

All appear calmly adjusted to the job they are being sent to do. Wilkinson acknowledges his "awesome responsibility". But significantly he goes on to

add that he is only carrying out the orders his political masters send, "our focus is on being professionals, not on politics".

The officers have clearly debated the morality and efficacy of nuclear deterrence, although one suspects slightly in the manner of those who know the conclusion before they start. Having decided that Deterrence is Right, however, their conversation admits no other view. Nor has that view shifted with the fall of the Ber-

lin Wall. "Nothing has changed in our operations and we always go out fully operational," says Commander Boyd. Some seem almost gung-ho. "If you're not committed," said one weapons officer, "you might as well not be here."

If anything, the Navy seems keen to extend the technique which won the cold war to other areas. Military debate is about sub-strategic deterrent: code for the idea that the use of single nuclear weapons could be threatened to keep tin-pot third world dictators in line.

The enlisted men seem bogged down in the mundane life on board and unconcerned by what they may be called on to do. "Have you read the latest Tom Clancy?" one rating said to another in a thick scouse accent. He was standing next to a missile tube containing warheads which could turn a dozen Russian cities into boiling puddles of radioactive glass. "It's about them hostages in Iran and getting them out with helicopters and that, it's brilliant."

Tom Clancy's books are generally assumed to satisfy the hankering of those who do not know the inside story of military gadgetry and wished they did. Maybe because the reality is so mundane, that existence on patrols is about drills and being tidy and listening for things that you hope are not there, Clancy also serves to retail the myth of hi-tech warriors to the men themselves. Life is not so much imitating art as simply wishing it did.

For both officers and men that mundane routine is much as it was in the old Polaris boats. Three shifts work around the clock, monitoring the nuclear reactor, listening at the sonar stations for any sign of ships or other submarines, practising torpedo drills and the missile launch drill, and cruising around at walking pace. For the rest it's eat, sleep and wait for Armageddon.

Conditions are at least somewhat easier on board than on previous submarines because the new fleet has to accommodate the bigger Trident missile. Vanguard is only slightly smaller than the Invincible aircraft carrier, and at the same time the crew is smaller than on previous boats, as automation - and a desire to save money - have taken their toll. Still, while it is possible to walk around the boat without seeing anyone, there is never a feeling of being alone.

To give some privacy, a personal stereo is supplied to each crew man, who can listen to music while lying on a bunk

Continued on Page XIV

CONTENTS



Food and Drinks: Hams, cheeses, canapés, wines and much more X-XIV

Science: Is there a future for time-travel? III

Books: Patti Waldmeir on Nelson Mandela's autobiography XVIII

Property: Buying a second home in Renaissance country XVI



Fashion: Slipping into something more comfortable IV

Travel: A holiday in the killing fields VII

Arts: XIV-XV
Books: XVII
Bridge, Chess, Crossword: XX
Fashion: IV-V
Food & Drink: X-XIV
Gardening: XVII
How To Spend It: VI-VII
James Morgan: XXII
Motoring: XXVI
Perspectives: II-III
Private View: XXIII
Property: XVI
Sport: XV
Travel: VII-IX

NEXT WEEK
The British love of soap operas

Joe Rogaly

Who is to judge?

A bargain with public opinion means Myra Hindley should never be freed

Myra Hindley should not be released. That is the message of the public, but, for some of us, painful to contemplate. She was 23 when, along with Ian Brady, then 28, she was sentenced to life imprisonment for the murder of 17-year-old Edward Evans and 10-year-old Leslie Anne Downey. In 1987 she confessed that two other children had been killed. Now in her fifties, she has spent 28 years in prison. Her accomplice has asked not to be let loose but she has repeatedly applied for a fine to be drawn under her sentence, most recently in a TV programme this week.

She has paid her debt to society, she argues, she has changed, say those who advocate parole; there is a time for redemption, says the good Christian conscience. In 1966, it is protested, she was young, and under the thrall of her lover. She was forced to participate in sadistic acts. This excuse is disputed, but we need not seek to establish its truth. For none of the above arguments, overrides the social imperative that must determine the case. This is simply put, justice and mercy come second. Sometimes a government must bow to a popular desire for revenge.

If that awful proposition is ever true, it is true in this case. The details of the four

killings need no repetition here; all who have heard of the Moors murders will know how vile were the perpetrators. The public memory of what happened is enduring. The torture of children cannot be forgiven. It is perhaps fanciful to say that if Myra Hindley was freed her own life would be in danger. It might be possible for her to change her name, and her appearance, and seek the safety of obscurity. Yet she could be no more genuinely free outside Cookham Wood prison in Kent than she is within its walls.

Those of us whose attitude to penal reform is liberal cannot escape this reasoning. If you oppose the death penalty, as we do-gooders do, you cannot shirk the fact that a majority of the electorate would support it. In Britain, but not the US, that biblical form of retribution is quite properly resisted by the majority of our elected politicians. We must be thankful for that. But there is a price, an implicit bargain with public opinion. If the House of Commons is to maintain its civilised stance, brutal killers must be given particularly long sentences, including, in the worst cases, detention for the rest of the murderer's natural life.

In this matter, although in few others, my view is in accordance with that of Mr

Michael Howard. Following a recent ruling in the House of Lords, the home secretary is obliged to tell them just how much time they are likely to serve. It is suggested that about a score of the most notorious murderers, including the Moors killers, will be informed that they will never be released. Others may have to endure more years in jail under Mr Howard's rules than

Sentencing is properly the job of the courts, not elected politicians

under those of his predecessors. The implications of this harsh regime must be faced, particularly by those of us who reject the home secretary's contention that "prison works". To deny anyone freedom is to deny him or her one of the principal attributes of life. Most British jails are not the cushy hotels depicted in tabloid newspapers. Many are overcrowded, grim, austere. They are, in the words of an earlier home secretary, universities of crime. The inmates may not be stealing car radios

or burgling homes while locked up but many of them more than make up for lost opportunities once they are back in general circulation. Prison does work, but perversely.

Britain has a higher proportion of its population in jails than any other country in the European Union save Luxembourg. This has not reduced crime, nor made people feel safe. That is why a succession of Conservative home secretaries focused more on prevention than on get-tough measures. The balance of the rhetoric of the present incumbent is the other way. Mr Howard's record at the home office would long ago have had him slung out of any cabinet save one so divided and desperate as his own.

It is possible that when he announces his decisions on life, he may be challenged in the European court of human rights in Strasbourg. He probably should be. To say that those who commit particularly ghastly murders should be given "life means life" sentences is not to accept that the power of incarceration should be in the hands of a minister.

Sentencing is properly the job of the courts, not elected politicians. At present there are two types of life. "Discretionary" life sentences may be imposed for crimes such as rape, or manslaughter. Judges

decide the term. In cases of murder, life sentences are "mandatory", which means that the home secretary can determine the length of incarceration. Various advisory committees, including the parliamentary all-party penal affairs group and a select committee of the House of Lords, have suggested that all life sentences be discretionary.

This might not have made any difference in the Hindley-Brady case. Most judges are as politically aware as any minister. The power to impose full-life sentences would certainly be exercised in the worst cases. These, fortunately, are rare. Against that there are types of murder, including, perhaps, crimes of passion, for which a compulsory life sentence is inappropriate.

Finally, we face children who kill children. The recent decision by Mr Howard to increase the length of detention of the murderers of James Bulger from the judge's eight years to 15 is questionable. Mary Bell, convicted at age 11 of the manslaughter of two boys aged three and four, spent 11 years in detention and now, aged 36, lives under an assumed name. You may challenge me to say which outcome I support - the 11 years imposed in the earlier case or the minimum of 15 years imposed now. I cannot; perhaps only a judge can.

BREITLING
1884



Altitude, speed and time are still shown in modern cockpits by means of a pointer or needle—precisely because this sort of indicator sweeping over a circular gauge is what a pilot sees best, particularly when he also has to keep track of countless other pieces of information.

But digital readouts can for instance provide times to 1/100th of a second and alphanumerical data along with simplifying the setting of programmable functions. These display principles contribute to the Breitling's design excellence which, in turn, explains its selection as the personal instrument of many of the world's finest aerobics teams.

BREITLING SA, P.O. Box 1132, SWITZERLAND - 2540 GRENCHEN
Tel.: 41 65 / 51 11 31, Fax: 41 65 / 53 10 09

INSTRUMENTS FOR PROFESSIONALS

PERSPECTIVES

The Greece that too few can see

Kerin Hope visits Thrace, where suspicion still rules

The corporal outside Greek army headquarters in Alexandroupolis glanced suspiciously at the permit from Athens before disappearing to find an officer. Twenty chilly minutes later, he was back with encouraging news: no military escort would be needed for two foreign journalists visiting the wildlife reserve on the Evros river delta, which marks the Greek-Turkish frontier in Thrace.

Visiting Thrace, the north-eastern corner of Greece, raises practical difficulties not usually found in a country that earns more money from tourism than from exports of goods. As Greece's poorest region, it is seen to attract visitors. Tourist brochures extol its unspoilt coast and appeal for environmentalists.

There are pictures, too, of minarets rising above red-tiled roofs: Thrace has a sizeable Moslem minority. Yet, a surprisingly large area next to the borders with Bulgaria and Turkey is included in a military zone, closed to both Greek and foreign visitors without special permits.

Traditional enmity with Turkey was reinforced by hostility towards Bulgaria, a Warsaw Pact member. The end of communism brought little change in official attitudes, although Bulgaria is among Greece's fastest-growing export markets for everything from ice-cream to insurance services. Successive Greek governments have stalled on Bulgarian requests to open a new border crossing in Thrace and set up a container terminal at Alexandroupolis port.

The Evros delta, a half-hour drive from Alexandroupolis, is the region's main tourist attraction: a 130 sq km wilderness of marshes and shallow lagoons used by more than 300 species of birds that nest, migrate or winter in Greece. As a wetland that attracts rare bird species, it is popular with bird-watchers from all over Europe - but they are confined to a small strip at the western

edge unless they wait several weeks for a military permit. Stella Kaidara, of the World Wide Fund for Nature, is allowed to take visitors with permits into the zone. She says: "We've been trying for several years to set up a management structure for the delta, co-ordinated by the environment ministry. That would mean being able to organise groups of visitors, and more income for people in the villages round here. The plan is approved in principle, but it isn't being implemented."

Spyros Kouvelis, of the WWF, adds: "Wetlands are still being encroached on, but the Evros region is in better shape than many. The army tries to be co-operative."

Education is one of the most divisive issues... the Moslems fear discrimination

If getting to the Evros delta is difficult, only the most persistent traveller can reach the Rodopi mountains, which divide Greece and Bulgaria. This is where one of Europe's last primeval forests survives, inhabited by wolves and brown bears. Their numbers have been swelled in the past two years by bears driven south from the former Yugoslavia because of the war in Bosnia.

The rules vary according to who you ask, but the consensus is that you need clearance from the ministries of defence, foreign affairs, interior and public order ministries, as well as the local police. One official said: "Many applications circulate endlessly."

"I tell people who are desperately keen to see the primeval forest to make friends with the forestry service and ride up in a timber truck - or wait for the next election and follow the campaign trail up there."

No clear reason is given for making Rodopi off-limits to visitors but it appears to be linked with the Pomak minority, Moslems whose ethnic origins are disputed fiercely by Greek and Turkish scholars. The Pomaks, livestock breeders with little education, live on both sides of the Greek-Bulgarian border. Together with ethnic Turks and gypsies, they make up Moslem minority of around 100,000 in Thrace.

Orhan Hadji-Ibrahim, a Moslem lawyer, says: "There aren't any cold war excuses any more about keeping people out of Rodopi. The authorities talk about unmarked minefields but it's really the Pomak issue that's involved. They have a ridiculous theory that if this border is opened, the Pomaks will want to join up with their relations on the Bulgarian side and will start demanding autonomy."

The Moslem minority, like the much smaller Greek minority in Turkey, remains hostage to the two governments' political quarrels. The Greek government has directed more than Dr50bn (\$250m) in EU-financed projects to Thrace in the past five years and provides generous incentives for investment. But the Moslems, mostly cotton and tobacco farmers, complain they are excluded from the government's efforts to develop Thrace.

Education is one of the most divisive issues. The Moslems say they fear their children may face discrimination at Greek schools. Rather than go to a local Turkish-language high-school, many Moslem teenagers are sent to Turkey instead to improve their chances of getting a university place there. On graduation, they prefer to find jobs in Turkey rather than return home.

Abdullahin Deides, an ethnic Turk who runs a radio station in Komotini, says: "Discrimination here is selective. But, unless education improves, Moslems can't participate properly in society and Thrace will go on being backward."

Time-travel enthusiasts can look forward to a vintage year in 1995. *Timecop*, the latest movie in the genre, opens in Europe next month after a successful run in the US. And the literary world will be celebrating the centenary of H.G. Wells' *The Time Machine*, the inspiration of so much science fiction since its first publication in 1895.

Until very recently, scientists would have dismissed the idea of two-way time-travel as too implausible to deserve serious study outside sci-fi, even as a theoretical possibility.

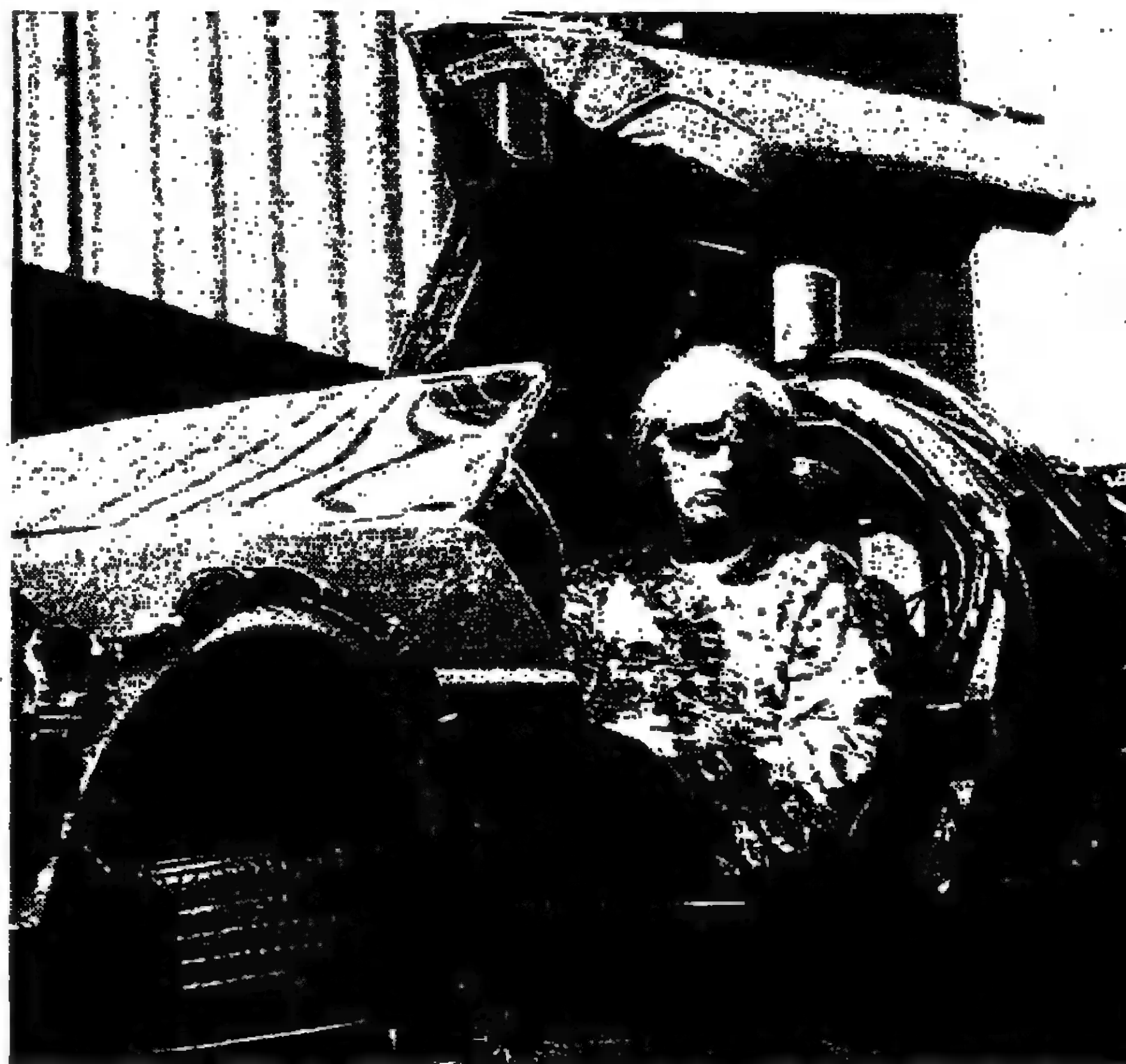
There is no objection to one-way travel into the future. We are all moving in that direction in normal life, at a rate of one second per second, and scientists have known since Einstein formulated his special theory of relativity that we could travel faster into the future by going on a round trip into space at almost the speed of light. If we returned home after a year, we would find that several decades had passed on Earth.

However the traditional view that the laws of physics forbid travel into the past is now being challenged. Some theoreticians have come up with new solutions to Einstein's relativity equations which suggest that loops in the four-dimensional structure of space-time, known as closed timelike curves (CTCs), could provide a route backwards in time.

But what about the well-known paradoxes that appear to rule out time-travel? Most famous is the "grandfather paradox": if you go back 60 years and murder your grandfather before he has any children, how could you have been born? This paradox - or its less brutal variants - would prevent any attempt to make alterations to the past.

Another paradox is that time-travel could create knowledge, information or art out of nowhere. Assume that a literary historian returns to Elizabethan England, carrying the text of *Hamlet*, to interview Shakespeare about the play. He gets his dates wrong, arriving before the young playwright has written *Hamlet* - and Shakespeare seizes the opportunity to copy the time-traveller's text and claim it as his own work. Who then created the play?

There is a way round such paradoxes, even in classical physics: to say that all actions



Playing for time: the 'Back to the Future' films dealt with the intriguing paradoxes of time-travel

The Nature of Things / Clive Cookson

Time-travel: not just a thing of the past

must be consistent with past history. This "consistency principle" has to override the "autonomy principle", which normally gives us the freedom to do what we want in our local environment (so long as it does not violate the laws of science) without paying attention to what is happening in space-time elsewhere in the universe.

So if time-travel is possible, the traveller must lose some of his or her normal "free will". If you went back to shoot your young grandfather, something would prevent you doing the dirty deed; your gun might jam - or your time machine might break down on the way back to the past. Likewise, some mishap would stop you

showing a copy of *Hamlet* to Shakespeare before he had written the play.

This level of determinism may seem strange, but it does not in itself rule out time-travel in the context of classical physics.

Entirely different resolutions of the paradoxes are possible if you turn to quantum physics. A current favourite is the "multiverse" or "many worlds" view, first proposed by the late Hugh Everett at Princeton in 1957 and now championed by David Deutsch at Oxford.

This view, which is much explored in contemporary fiction, holds that there is not just one universe with a single history but a huge number of parallel universes in which all possible histories happen

simultaneously. Anyone who went back in time would end up in a different universe from the one he left behind.

Imagine trying to enact the grandfather paradox. You leave the universe in which you have grown up and go back 60 years to another, which had been identical until the moment you arrive. In the second universe, you emerge as a previously unknown figure from your time machine and murder an unfortunate young man before he has any children. But that does not affect the first universe, where no one appears from the future to stop him having children and then grandchildren - one of whom eventually disappears in a time machine.

You keep your free will but

you can never create a paradox, according to the multiverse theory, because quantum physics provides enough linked universes to accommodate all the conflicting possibilities. Deutsch admits that the theory is controversial, although it is the prevailing interpretation in quantum cosmology.

The fact that time-travel is theoretically possible does not mean it would ever be practical, even for a super-advanced civilisation. CTCs have emerged as theoretical solutions to Einstein's equations, as a possible path for time machines, but no one knows whether they exist somewhere or could be created artificially.

If CTCs do exist on the scale that would be required for time-travel, they are probably in regions of the universe that would be extremely inhospitable for the traveller, such as the edge of a rotating black hole. And creating one would require amounts of energy that are inconceivable with any technology known today.

Many physicists, including Stephen Hawking of Cambridge University, continue to maintain that time-travel is impossible. Some argue on the practical grounds that CTCs could not exist, except perhaps on an infinitesimal scale a million-million-million-million-million times smaller than an atom. Others prefer the practical argument that no one could withstand the radiation and forces around a CTC.

If our descendants many centuries in the future do find a way to travel into the past, they will face many constraints. Most important, a CTC cannot be used to go further back in time than the moment of its creation, so our descendants could not make one to travel back to 1994. They might find suitable CTCs already in existence somewhere in the universe, but these would have to be used very sparingly, since CTCs are non-renewable by nature and very limited in capacity.

And if the "many worlds" view turns out to be correct, no one who was satisfied with his present life would venture willingly into the past, because he would end up in a parallel universe - with no possibility of returning.

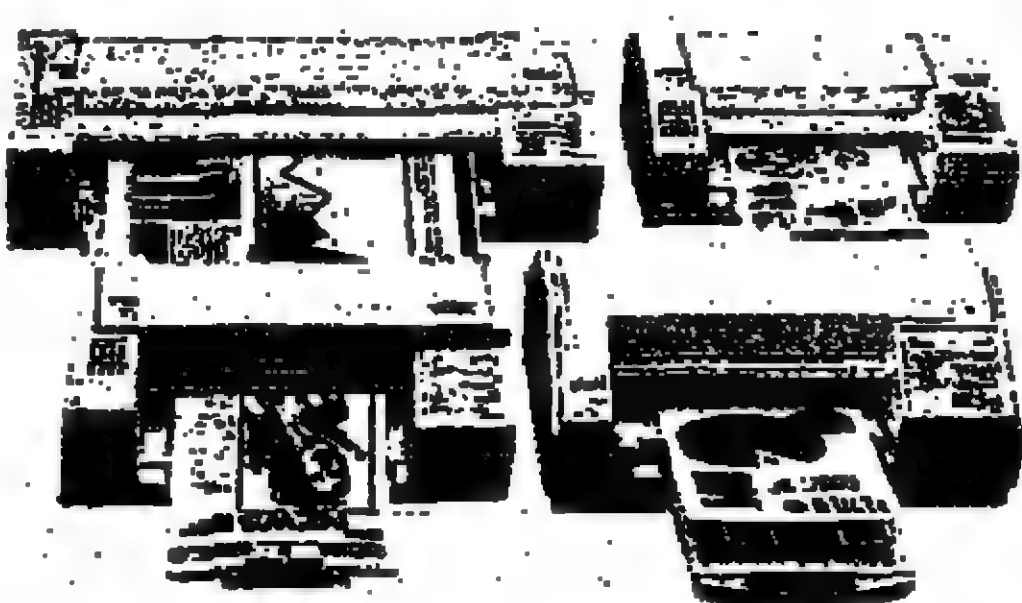
It is safe to predict, therefore, that time-travel will never be more than a minority pursuit. We will not be bothered by time-tourists visiting us from the future.

Business
for growth
phorers make thanks for it



Take a closer look at Epson inkjet quality.

World's First 720x720dpi Colour Inkjet.



Stylus ColorAround £389 • Stylus 800+ Around £199
Stylus 400+ Around £159 • Stylus 1000 Around £389

At home or at work, what do you need from an inkjet printer? Quality, naturally. But do you have to pay more for professional results and performance?

Award-winning Epson Stylus inkjets have been acclaimed again and again for no-compromise quality and good-value prices. The new Epson Stylus Color, for example, is the first inkjet to achieve 720x720 dots per inch resolution. That means near-photographic colour printing (remarkable at such a low price - PC User). Custom Windows drivers in the Epson Stylus Color and the mono Epson Stylus 800+ give you better, faster control of your print jobs and the speed to make short

work of large documents. They also produce smoother graphics - with no unsightly banding.

Alternatively, the low-cost Epson Stylus 400 offers the quality and features of many higher-priced inkjets. The wide-carriage Epson Stylus 1000 provides better coverage of A3 pages. All the printers come with built-in paper feeders, Epson's fast-drying inks and low-cost ink cartridges. Permanent piezo printheads save on energy and consumable use, while keeping running costs low.

The award-winning Epson inkjets. For plain or coated papers, envelopes and overheads. Now with a 3-year warranty. Dial 100. Ask for Freephone Inkjet.

Please send me information on the Epson Stylus range and my nearest dealer address:

Name _____ Title _____

Company _____

Address _____

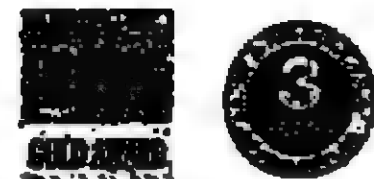
Postcode _____ Telephone _____

Is your enquiry for private use ☐ or business use? ☐ If for business use, how many PCs are currently on site?

Return to Epson UK Ltd, FREEPOST, Campus 100, Maylands Avenue, Hemel Hempstead, Herts, HP2 8EP. (No stamp required.)

On coated paper. Epson is a trademark of Seiko Epson Corporation. Stylus is a registered trademark of Epson. Epson Stylus is a trademark of Seiko Epson Corporation, 3-6, Chuo 3-Chome, Bunkyo-ku, Tokyo 112, Japan.

EPSON
Stylus Inkjets



EPSON®

FASHION

Iron styling puts lingerie on top

A tailored jacket and black metal jewellery are perfect to set off the slip-dress as it comes out of the boudoir, writes Jane Mulvagh



Given the slip: silk burgundy slip, £22.00 at Fenwick's; red polka-dot "Bolina" jacket, £280, Vivienne Westwood; Berlin iron cameo pendant, £150 from I. & M. Stanley, suspended from Liberty bracelet, 55p per metre.



Rosey outlook: pink embroidered silk slip, £125 from The White House, Bond Street; large Berlin iron and steel cameo necklace, £3,700 at Mohr of Bond Street; black lace sandals, Russell & Bromley, £125.

Visualise the counterpoint of iron and lace, specifically, the chiaroscuro of black Berlin iron jewellery resting on white skin dressed in lambent satin edged with lace.

For the past two seasons, the American designer Donna Karan has been showing slips in silk satin - but these slips are not for the boudoir, they are to be worn as day dresses under neat, plain, tailored jackets. The look is a natural continuation of Karan's exploration of ways to soften a woman's wardrobe after the sharp-edged assertiveness of working women's clothes in the 1980s.

Her bronze satin slip-dress at £520 and tweed jacket at £1,075 are available at Brown's in South Molton Street, London W1, and those who love the Donna Karan look can spend huge sums on buying the original. However, women on a tight budget will find it is the idea that matters, and it is worth browsing round the lingerie shops (Janet Reger, Rigby & Peller, Fenwick's and Janet Whiteman at weekends

Photography: Terence Donovan
Styling: Jane Mulvagh
Make-up: Fiona Corrigan for Christian Dior
Hair: Fiona Corrigan for Stephan King

in the Covent Garden market, where petticoats and slips can be found for between £25 and £29.

Team them with neat, trim-waisted and tailored jackets. It is important to juxtapose the boudoir tone of the lingerie with the propriety of the tailored jacket if this look is to work outside the bedroom.

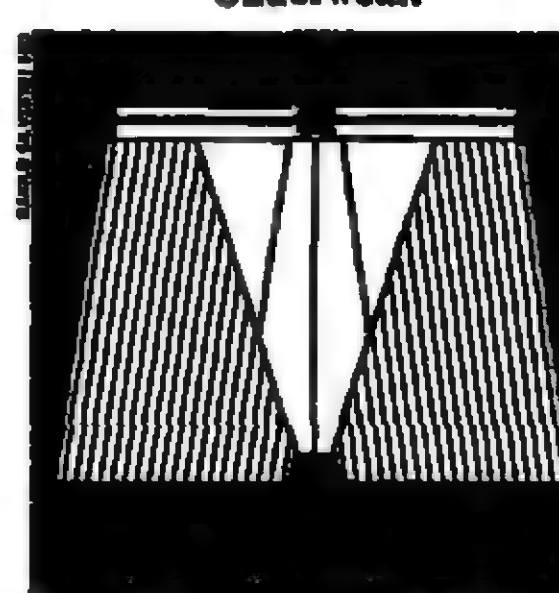
Put together carelessly, it could appear that you had forgotten your skirt or - worse - leave you looking like a street-walker. So choose accessories carefully. Wear fine, skin-toned hosiery, such as Wolford's 10-denier "Individual". Absolutely sheer tights look lacy; opaque ones too heavy. Choose graceful, met-light shoes to give the impression that you are barely shod. Russell & Bromley has an extensive range of pretty, strappy and ribbon-tied high sandals this season in black, bronze, silver, gold and pink, for about £100.

Your jacket should be understated. Avoid loud, gilt buttons or "novelty" details. If you are reviving an old, tailored jacket, replace the gilt with dress-makers' buttons of the same tone as the cloth or, if you cannot find them, modest mother-of-pearl ones. Above all, grooming should be bandbox smart and classic that tousel "just out of bed" style and lashings of make-up will only induce unwelcome attention.

The new, on-the-knee length of skirt is perfect - too short, baby-doll style, looks comical. Avoid transparency, too much lace or too many bows and ruffles. Keep it simple.

The White House has a particularly wonderful lingerie department. The workmanship on its embroidered slips is exquisite and there is the added thrill of receiving your lingerie in a big, white shiny

The World's Finest Men's Underwear.



BOXMADE BY ZIMMERLI. The young box. Available in leading specialist mens underwear shops. Zimmerli Textil AG CH-6665 Aarberg. Phone 041 41 41 41 Fax 041 41 28 72.



Nights in white satin: plain silk slip from Rigby & Peller, La Perle, £220; cream silk jacket, £210, Episode; gold braid sandals, Russell & Bromley, £115; Berlin iron cross, £350 from I. & M. Stanley, suspended from Liberty bracelet; Berlin iron bracelet with cameo clasp, £570 from Madeleine Popper.

works - Trier on the Moselle in Austria, Glatz in Silesia, and Count Stolberg-Wernigerode's at Isenbürg in the Harz mountains - refused to disclose how it was done for several decades.

At the Great Exhibition at Crystal Palace in London in 1851, English craftsmen speculated about the iron's composition. Had phosphorus been added to the molten iron in the casting process? Perhaps the Germans used iron without graphite; perhaps it was the inordinately high temperatures of the charcoal-fired furnaces that allowed such precision? Would-be imitators were confused and maddened.

Berlin iron was never diminished by the description "imitation jewellery". It was far too defined and demanded such artistry and skill. That the iron of canons could be turned into fine foliated scrolls, and gothic motifs had Europe marvelling at its strange beauty. Even the enemy Napoleon dispatched patterns from Berlin to Paris in 1806 to be copied.

By 1860 its moment had passed. Nickel alloys circulated as poor cousins and the sacrificial notion was briefly revived during the first world war by the Germans, but its heyday was gone.

Perhaps the strength of iron, lying lightly on a whisper of lace is the way to reflect the strong and the gentle side of a woman this winter.

■ All hosiery by Wolford, Ber-

lin Iron Jewellery Dealers: Edward Donohoe, Tel. 071-629 5633; Madeleine Popper at Gray's Antiques, London W1, Tel. 071-629 2998; I. & M. Stanley at Gray's Antiques, London W1, Tel. 071-629 4035; RBR Group at Gray's Antiques, London W1, Tel. 071-629 4769; Sandra Cronan, Burlington Arcade, London W1, Tel. 071-491 4851; Mohr, 23 New Bond St, London W1, 071-629 0160.

Janet Reger

For the most glamorous lingerie and nightwear this Christmas.

Open every weekday 10am - 8pm
Saturdays 9am - 6pm. Drinks from 5pm

Janet Reger, 2 Bond Street, London W1 3NG
Tel: 071 584 9363

All gifts will be beautifully boxed & wrapped. Also available at Selfridges, Debenhams & John Lewis. For more information and other selected lingerie.

Waterproof steel watches, for ladies and gentlemen, with an interchangeable steel bracelet and leather straps, from £1100.

BOUCHERON

JEWELLER SINCE 1858

BOUCHERON

180, New Bond Street - London W1Y9PD - Tel.: 071 493 0983.

صكنا من الامم

FASHION

How the smart set will dress

Avril Groom looks at what special people wear on a special day

The new film *The Nightmare Before Christmas*, is a children's story but you could be forgiven for thinking that it describes the panic-stricken weeks of December in the life of a woman juggling job and family. Work schedules are telescoped by the impending long break, and the pressure of shopping escalates.

If you are in charge you must not forget the details crucial to the smooth running of Christmas day. All this means that you find yourself firmly at the bottom of the shopping list. This is a pity, for Christmas dressing deserves a little thought. It is a day of oddly juxtaposed activities where few rules apply. A leisurely, glamorous breakfast may be interrupted by hectic present-opening with the children. A trip to church may be followed by making the gravy.

We all imagine that those who live high-profile lives, who appear to have made it in life, have sorted out such dilemmas. To find out, we asked a selection of successful career women and some prominent social high-flyers to give us

their guide to Christmas and how to wear (and bear) it.

BREAKFAST

□ Rosa Monckton plans to spend Christmas morning at her London flat with her husband, journalist Dominic Lawson, and daughter Savannah, two. "We will have breakfast at midnight Mass but Savannah will be up and excited by 7am so we'll start then and have a long, leisurely breakfast. Later we may go to my parents for a traditional lunch."

"I don't want to plan at home because I organise very publicly at work right up until Christmas Eve. I certainly shouldn't plan what to wear; clothes are a low priority. Comfort is essential. I shall assume I have something suitable, like a wonderful velvet dressing gown, in my wardrobe. Though I could easily be wrong."

□ Patricia Hodge, the actress, currently starring in *The Prime of Miss Jean Brodie* at the Strand Theatre in London, will be working until the end of the Christmas Eve matinee. "I love 'doing' Christmas, although the preparation is an enormous headache. I take it in turns with my sister. This is



her year lucky - I have only one day off. There'll be about 20 for lunch and we all help.

"I shopped in the autumn for Christmas clothes that would be flexible for other occasions. This silk chenille sweater and panna velvet skirt have the right mood together but look different when worn with other

things. I'll put a jokey Christmas apron over them for helping in the kitchen."

□ Sally Daltell runs her wardrobe consultancy, Change of A-Dress, with a partner. The Christmas run-up is their busiest time. "We lived abroad until quite recently so I am happy to have a traditional English Christmas in London. After my three children, aged nine to 14, come home from boarding school I want to devote myself to them so time for me is bottom of the list. We will also have my two grown-up stepchildren staying."

"On Christmas morning it's straight into turkey-cooking and present-opening. I like to look smart although not hugely dressy. Relaxation and comfort come above all else; I get hot cooking. A loose cashmere sweater and leggings would be great. I can add a velvet scarf and a coat for church, swap the leggings for satin pyjama trousers at home. I don't like Christmassy colours. I would put the outfit together from pieces I already owned."

□ Anastasia Alexander, an American, started her Aroma Therapeutics business in Britain two years ago. It is expanding rapidly in the US and Europe. "This is a very busy time both at work and socially, so I have to pre-plan. In America, Thanksgiving is the family celebration. Christmas is party time. So for breakfast I would probably still be wearing an evening dress. Here we prefer to be in the country with my three stepchildren, our 14-month-old daughter, Alexia, and our nanny."

"I am very organised with clothes, adding a few pieces each season to update the classics. I like wearably avant-garde designers: Dolce & Gabbana, Romeo Gigli, Dries van Noten. I have already planned my Christmas wardrobe. In the morning I will go riding and then have a leisurely breakfast. I would choose something country-style but festive, like a velvet waistcoat and trousers."

LUNCH

□ Ewa Lewis, social editor of *The Tatler*, is Polish by birth. She has a family house party for 14 in Gloucestershire, for which preparations have long been under way and there will be a mix of traditions.

"In Poland, Christmas Eve is the big night so we have a formal dinner with caviar, borscht and lots of fish. Christmas day is relaxed - presents, church, champagne, then turkey for lunch. The staff have a holiday so I give everyone, especially my children, aged 15 and 13, jobs to do. I co-ordinate it all and cook."

"I don't pre-plan what to wear at home during Christmas but I am very organised. I shop early in the season from my favourite designers - St Laurent, Tomasz Starzewski, Bruce Oldfield, Laura B - with festivities in mind. Knowing that a country Christmas will include sporty and very dressy occasions, I take down what I need. For any lunch out over the holiday I think a suit in rich velvet is right; at home I might wear a soft trouser suit."

□ Lady Charles Spencer Churchill, aka interior decorator Jane Churchill, will go with her three sons, aged from 23 to 11, to the family country home - Blenheim.

She says: "Christmas lunch is a fairly informal, family occasion and I think a suit is

right. I particularly like Armani's - they are soft and classic yet smart. Pastels are very becoming and show off jewellery well. I'm lucky, I don't have to stuff the turkey so I can relax and enjoy the whole atmosphere. For the evening I would change to something more formal."

□ Alessandra Rossi is a Milanese, married to a London-based Italian investment banker. She loves entertaining.

"I shop in September, with Christmas in mind, at St Laurent and Gucci. I never leave it till the last minute because nothing will be left in my size. I plan what to take but our family lunch is sporty rather than dressy. The men wear a tie, the women something with

red in it. I think a printed silk shirt and suede jeans would look relaxed but festive."

□ Paola Tholstrup is a mix of Italian, Polish and German but was brought up in Switzerland. Her husband, Mogens, owns London restaurant Daphne's and they have a 20-month-old daughter.

"I don't exactly pre-plan my clothes, but I take a selection that I've bought over the years from my favourite shops - Browns, Joseph, Boni, Zilber, Jil Sander. I am not interested enough to look for a specific Christmas dress. For the Christmas Eve dinner I would take a black cocktail dress; for lunch something cosy but smart like a knitted dress spruced up with gift buttons."

■ Breakfast, left to right: Patricia Hodge in burgundy silk chenille sweater, £495, Paisley panna velvet skirt, £246, suede boots, £235, tights, £15, all from Ralph Lauren, New Bond Street, W1.

Sally Daltell in beige rib cashmere sweater, £187.50 from Pringle, New Bond Street, W1. Cream silk satin trousers by Ben de List, £169 from A la Mode, Hans Crescent, SW1, Harrods, Knightsbridge, SW1 and Pellicano, South Molton Street, W1. Velvet scarf, £85 from Georgina von Etzdorf, Sloane Street, SW1 and Burlington Arcade, W1. Black velvet pumps by Cole-Haas, £125 from Harrods.

Anastasia Alexander in burgundy velvet waistcoat, £495 from Ralph Lauren, New Bond Street, W1. Pin-striped shirt by Dolce & Gabbana, £190 from Browns, South Molton Street W1. Grey velvet trousers, £199 from Nicole Farhi, New Bond Street, W1.

Rosa Monckton in printed velvet dressing gown, £735 from Georgina von Etzdorf. Ivory cashmere robe, £995 from Pringle. Black astrakhan-trim mules by Cole-Haas, £135 from Harrods. Table set with Gold Band china, Faneuil cutlery, Hollowstem glasses and Napoleon III scarves, and assorted jewellery, all from Tiffany, Old Bond Street, W1.



■ Lunch, from left to right: Ewa Lewis in brown velvet wrapover coat, £495, matching skirt, £175, both from Tomasz Starzewski, Port Street, SW1 and Browne of Blackburn. Silk shirt, £175 from Laura B, Walton Street, SW3, earrings, £85 and bracelet, £175, from

Céline, New Bond Street, W1. Lady Charles Spencer Churchill in pale green wool suit, £1,500, soft net body, £95, both from Armani, Sloane Street, SW1, gold and pearl earrings by Abi Worrell from Contemporary Gold exhibition, £2,225, gold

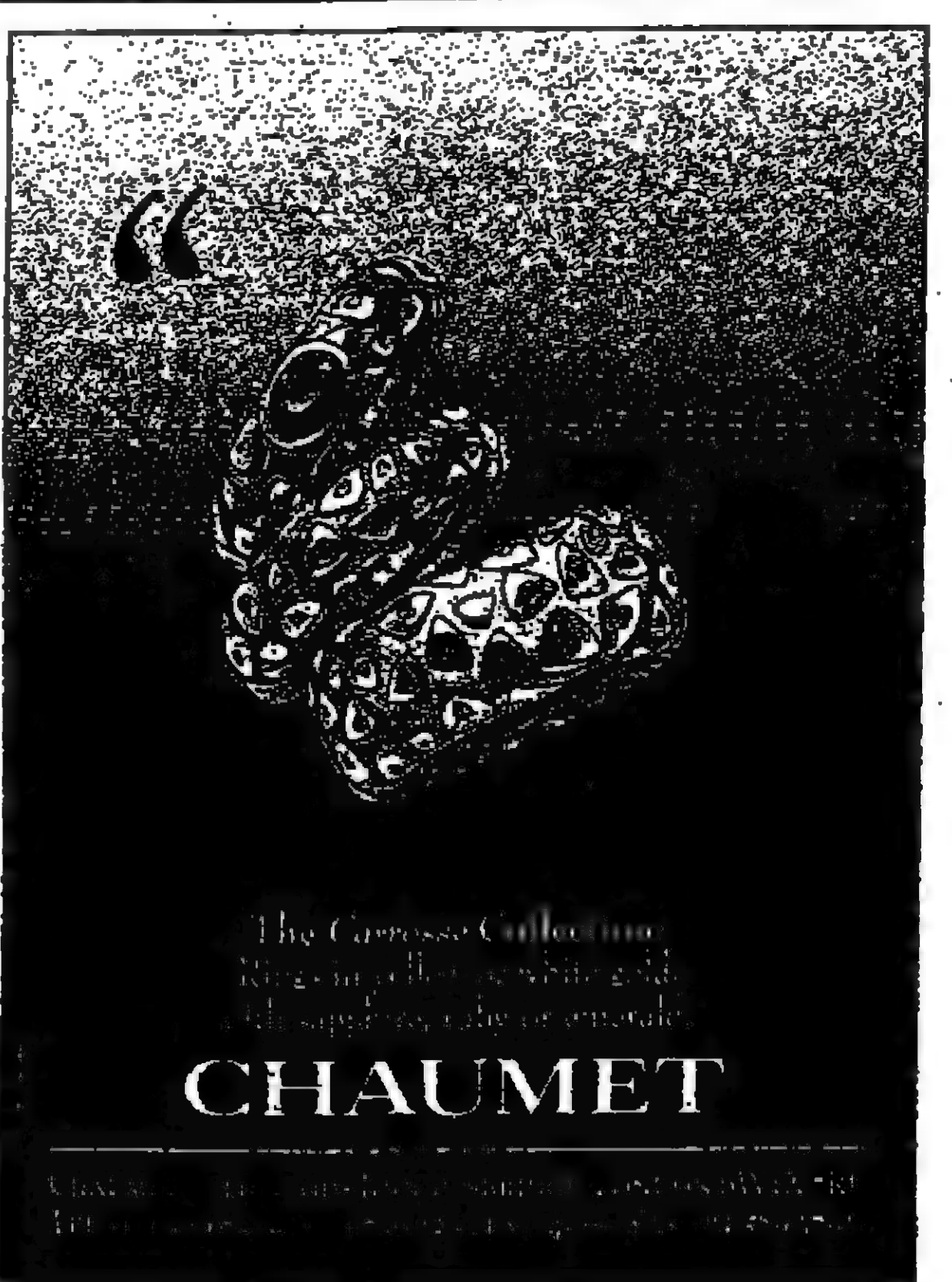
necklace, £3,280, both from Garrard, Regent Street, W1. Alessandra Rossi in red print silk shirt, £895, red suede jeans, £475, belt, £115, all from Gucci, Old Bond Street, W1 and Sloane Street, SW1. Gold knot earrings, £745, necklace, £3,360 from Garrard.

Paola Tholstrup in grey wool dress with white silk trim by Rens Lange, £915 (with skirt, not shown) from Palmer, Motcomb Street, SW1. Shoes, £185 from Gucci.

□ Table set with Versailles, china, Plaza crystal and candle-lamps from Thomas Goode, South Audley Street, W1.

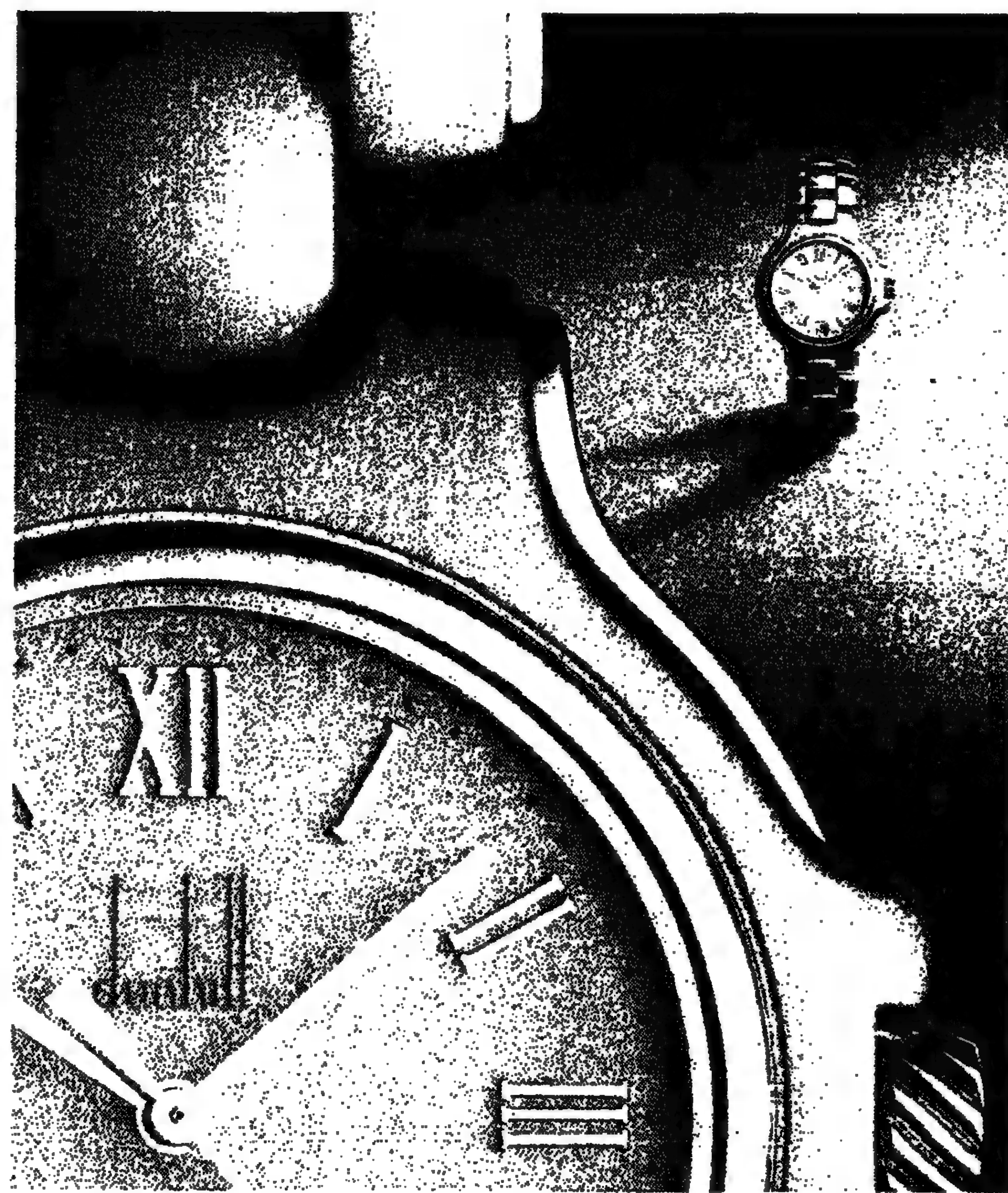
□ Hair by Craig Taylor for Anthony Yacomine, George Street, W1. Patricia Hodge's hair by Hugh and Hugh and Stephen, Ebury Street, SW1.

□ Make-up by Suzanne Yarde, using the Bobbi Brown range from Harrods. Suzanne's tips for long-lasting, flush-free Christmas make-up include: do not put foundation on eyes - with heat it can make eyeshadow run; use loose powder before shadow instead. Concealer stick reduces redness. Neutral colours - Bone all over the lid, Taupe in the crease, Rich Brown as a soft liner - look natural. Pale blusher (Sand Pink) looks healthy, lets natural colour shine through.



The Chaumet Collection
The art of time
CHAUMET

ALFRED DUNHILL



THE LONDINIUM.

Stainless steel and 18ct gold. International lifetime guarantee. Sapphire glass. Water-resistant. Swiss made with quartz movement. Discreet folding clasp.

GOLD SMITHS & WALKER & HALL

RETAIL JEWELLER OF THE YEAR, BEST CUSTOMER SERVICE.

Available at selected branches of the Goldsmiths Group: ALTRINCHAM: Walker & Hall, FARNHAM: Biggs, LEICESTER: Goldsmiths, LONDON: Geo. Alcock (Fleet St), Goldsmiths (Bishopsgate), METRO CENTRE: Northern Goldsmiths, NEWCASTLE UPON TYNE: Reid & Sons, NOTTINGHAM: W H May, READING: Bracher & Sydenham, SHEFFIELD: Walker & Hall, THURROCK: Walker & Hall, TUNBRIDGE WELLS: Geo. Farrer.

For a brochure call FREE on 0800 220733.

Sought after since 1893.

HOW TO SPEND IT

'That's just what I've always wanted'

Gift ideas for the person with a special interest - here are a number of suggestions that you might not have thought of...

What to buy for enthusiasts and experts - it is an annual dilemma. Their hobbies ought to provide a host of ideas. But what if they have already got your chosen gift, or - even worse - what if it is not the right make or design? The Weekend FT's experts offer some suggestions...

The Cook

By Nicholas Lander

Three gifts please: one to get the day off to a good start, the second to facilitate cooking for the next decade at least, and the third to allow my family and friends to enjoy our meals together even more in 1995.

The first is a chrome plated citrus press that will produce sensational fresh orange juice for breakfast (without which no breakfast is complete). It is German and costs £43.40 from Divertimenti, SW3 (071-581 8065) or W1 (071-935 0689). One fell swoop of the hand lever produces just the juice - no pips or pith. Just as good later in the day when you need lemon or lime juice for cooking.

The second, which would definitely necessitate a large sack, would be the full range of Global cooking knives.

These are Japanese, the blades made from Molybde-



please from an everyday, fruity olive oil for cooking to an extra virgin cold pressed olive oil, a type that now commands such high prices that they are usually only available in designer half bottles.

Santa Clans for this present would take the form of a delivery man from The Oil Merchant, W12 (081-740 1335) or Taylor & Lake, SW8 (071-622 9156).

And my wish for 1995 - that somehow there will be enough food for everyone on this planet.

The Wine Buff

By Giles MacDonogh

If it is books they like, there were two major publications this autumn: James Robinson's *Oxford Companion to Wine* (OUP, £30) and Hugh Johnson's *World Atlas of Wine* (Mitchell Beazley, £30). Robinson's book is the most useful and up to date. Johnson's is the nicest to look at.

Johnson's shop, at 68 St James's (tel: 071-491 4915) is a good place for wine related presents. If you go there on the evening of December 15, Johnson will be there, signing copies of his atlas. A good-sized decanter, copied from a 1610 original, may be had for £157, or £227 for magnums. For the original you will have to pay £300.

A useful idea is a wine cooler which covers the whole bottle. This is made from copper, plated with silver and costs £295.

Silver bottle holders are available for £200 and the popular decanting cradle is £175 or £250 for magnums. A beautiful claret jug with a silver mount comes in the form of a modernised ampura for £400.

For the female wine buff there is a necklace of lapis lazuli with bunches of grapes at £295.

An amusing idea, which has the virtue of being slightly cheaper than many of the items in the shop is a decanter label in silver with the legend 'plonk' (236). It might make a subtle hint.

The best wine glasses come from the Austrian company of Riedel. The hand-made sommeliers range starts at £23 a stem. If that is too much to pay, the vintage range is about half that and few people will know the difference. Selfridges and Harrods have them. For other stockists call Michael Johnson Ceramics (tel: 071-624 2493).

The silver dog whistle from Holland & Holland, £38 (tel: 071-499 4411), is a better bet for owners of boobyland hounds - as it is 'silent'. This asset will be lost on the 50-plus shooting men bellowing over the port.

The best present for those still with hearing is a pair of Sound Censor ear-plugs. Individually moulded to the ear canal, they are unobtrusive and extremely effective. They cost £130 a pair, although syndicates should be able to obtain group discount (tel: Mrs Perkins at Holland & Holland).

More light-hearted are the Loon cartoon boxer shorts - 'Cocks Over' - from the Enormous Handkerchief Co. Hounds and, inevitably, fly fishing versions are also available at £9.95 (tel: 0333-329559).

For more public display, the silver salmon cufflinks from William Powell's are good value at £50 (tel: 021-643 0689). And for a keepsake of an epic tussle with a fresh-run spring fish, there can be little lovelier than the hand-drawn river maps from Fred Cholmeley (tel: 047-683235). Illustrated with water-colours of birds and mammals chosen by the client. Prices start at £95 unframed.

All fish and fowl can be re-linked in true style in the new range of game-books by The Game Book (from £20.50, tel: 071-351 0233) but if the season's tally looks meagre, Roston Bailey Robinson can organise the highest pheasants in the land from £200 per gun (tel: 0488-883222).

Just thinking of such a day causes insomnia, so Wild-sounds' Nocturne of Nightingale - one hour of nightingale song (£10.99 on CD, £6.95 on tape, tel: 0263-741100) - should send in the sandman before Santa.

Jonathan Young is editor of *The Field*.

The Horse Rider

By Caroline Cross

For the last three years my horse has redecorated my toenails. Black. This year I been dropping heavy hints for Santa to come up with some very smart paddock boots with invisible steel-capped toes.

Overider does just the job in black or tan waxy leather, sizes 3-8, from £34.50 to £40.50.

The Gardener

By Robin Lane Fox

My Christmas suggestions are for seeding, cutting and clearing up. The two best secateurs

are the Felco Classic at £35.99 or the Wilkinson Sword Medium Anvil at £22.99, which I marginally prefer; every gardener loses the secateurs at least once a year and needs new ones.

If their garden is now grown-

ing furiously, they will also need long-handled pruners. I like the Gardens 860 BL at £44.73.

For weeds, the essential is a Wilkinson Sword Classic Hoe, rectangular-headed at £21.99. Gardeners never use enough food; encourage them with a big pack of Phostrogen at £4.79 and a potash-rich 500ml box of Tomorite at £2.49; both can be applied so easily with a hose if you fix on the no-clog Miracle

Gro Feeder which comes with highly nitrogenous Miracle Gro, which I do not use, but is particularly cheap at £6.99. Alternatively, you can water on fertiliser where the best cans are made by Haws and there is now a cheap and cheerful Haws Practical model at £9.99.

Everybody also needs some lime of attack against pests. My favourite slug and snail killer is the admirable Growing Success which is both organic and lethal.

You may prefer to give a Bosbag at £8.39 on the grounds that it sounds like your horticulture partner anyway. In fact, it is an all-purpose piece of sheeting which will stand up as a rounded bag and take all the garden rubbish without involving a wheelbarrow. It will also hold dead leaves; please do not give anyone one of those awful leaf-blowers which are all the rage and so needlessly noisy that they ruin the neighbours' weekends.

Testi, any of them would do. Prices range from £10.750 for the YBSR to £23.000 for the top-of-the-range high-tech Testi. Contact Galleria Bimota on 0493-872707.

As a stocking filler, go for earplugs (widely available). These are essential safety accessories to guard against hearing damage caused by wind noise when riding for long periods at speed.

And if you are in danger of having to listen to repeated playing of *Ducati Passions*, then buy some for yourself as well.

The Skier

By Arnie Wilson

Expert skiers are often obsessed with finding out how many vertical feet they ski. The Avocat Vertach Ski wrist watch will tell them to the nearest five feet. All you need to do is set it before your first run and it will automatically calculate vertical feet and the number of runs you ski all day long without you having to touch it again.

The following day you can either start your tally again or keep a running total. The Avocat which works on aviation technology using barometric pressure, will clock up 230,000 vertical feet (more than enough for most skiers' holidays) before returning to zero. But if you keep a running total, remember to turn it off after each day's skiing or the watch will keep calculating your vertical drop when you are driving or even walking downhill.

The Avocat, which has a stopwatch and displays altitude, highest skiing speed, barometric pressure and of course, the time, costs £119.95 from Snow & Rock, 188 Kensington High Street, London W8 7RG. Tel: 071-937 0872.

One criticism of the so-called 'Fat Skis' designed to make powder skiing easier is that they are not so hot on piste.

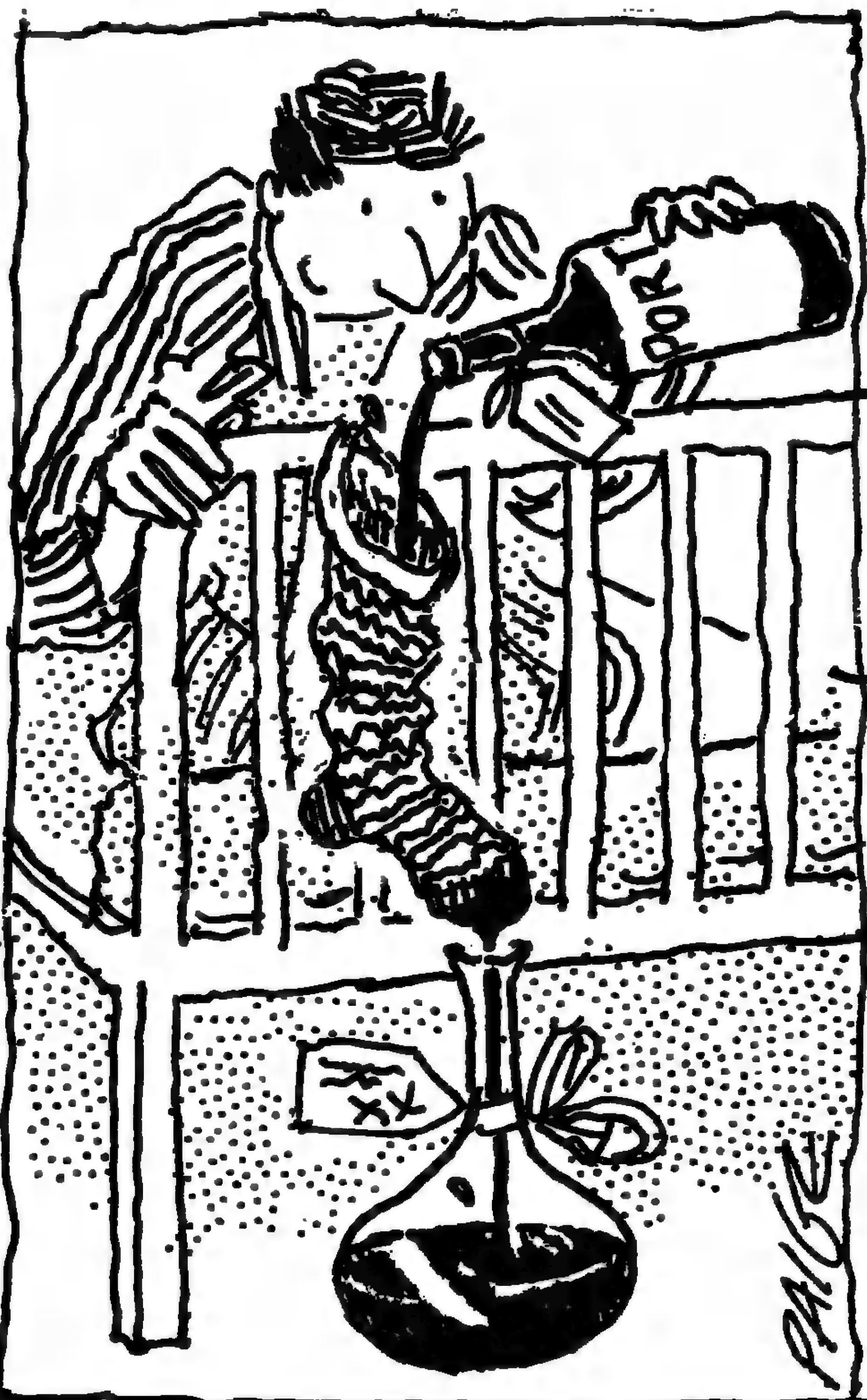
Now Porsche has come up with a design it claims works just as well on or off piste. They are black and as sleek as a fat ski can be, and they retail at £850 (bindings £175 extra) from Porsche Design, Corporate Office, American PD Company Inc, 331 South Rio Grande Street, Suite 105, Salt Lake City, Utah 84101. Tel: 0101 801 575 8815.

For the ultimate Christmas gift, what about hiring the most famous mountain in America: Aspen's Ajax.

The day after the ski season ends on April 15, it could be yours for \$100,000. For that you could take up to 100 guests, who would each ski free and have their own instructor for the day - plus lunch of course.

You could even groom whichever slopes you choose at no extra cost. The fee would be divided in two, with \$50,000 going to your favourite charity and the other \$50,000 going to Aspen Skiing Company's favourite charity.

Contact Killen Russell, Vice-president of Communications, Aspen Skiing Company, PO Box 1245, Aspen, Colorado 81612. Tel: 0101 303 544 3070.



Gro Feeder which comes with highly nitrogenous Miracle Gro, which I do not use, but is particularly cheap at £6.99. Alternatively, you can water on fertiliser where the best cans are made by Haws and there is now a cheap and cheerful Haws Practical model at £9.99.

Everybody also needs some lime of attack against pests. My favourite slug and snail killer is the admirable Growing Success which is both organic and lethal.

You may prefer to give a Bosbag at £8.39 on the grounds that it sounds like your horticulture partner anyway. In fact, it is an all-purpose piece of sheeting which will stand up as a rounded bag and take all the garden rubbish without involving a wheelbarrow. It will also hold dead leaves; please do not give anyone one of those awful leaf-blowers which are all the rage and so needlessly noisy that they ruin the neighbours' weekends.

Testi, any of them would do. Prices range from £10.750 for the YBSR to £23.000 for the top-of-the-range high-tech Testi. Contact Galleria Bimota on 0493-872707.

As a stocking filler, go for earplugs (widely available). These are essential safety accessories to guard against hearing damage caused by wind noise when riding for long periods at speed.

And if you are in danger of having to listen to repeated playing of *Ducati Passions*, then buy some for yourself as well.

The Car Driver

By Stuart Marshall

Modern cars have just about everything built-in. So the scope for buying car-related Christmas gifts is not what it used to be in the days when heaters and radios were extras.

Think first of security. Devices to lock gear lever to clutch pedal or prevent the steering wheel from being turned full circle will not stop a professional thief but should make joy riders look elsewhere. From £20 at Halfords.

Mobile telephones - the best gift for any woman who has to drive alone, especially at night - have become so spectacularly cheap that Ford now gives one away with every new car. But choose the tariff with care. Remember that the lower the monthly charge, the more the calls will cost.

Motorway maps get out of date as by-passes are built and motorways extended. Philip's 1:100,000 atlas is the best there is of the British Isles. Michelin's spiral bound 1:200,000 atlas does the same for France. From booksellers, priced around £17 and £12, respectively.

For a useful stocking filler, consider a map reading light that plugs into the cigarette lighter (£9.99 from Halfords).

Prevention is better than cure. If you have a new car and a dog, call Over The Top Tex-

are the Felco Classic at £35.99 or the Wilkinson Sword Medium Anvil at £22.99, which I marginally prefer; every gardener loses the secateurs at least once a year and needs new ones.

If their garden is now grown-

ing furiously, they will also need long-handled pruners. I like the Gardens 860 BL at £44.73.

For weeds, the essential is a Wilkinson Sword Classic Hoe, rectangular-headed at £21.99. Gardeners never use enough food; encourage them with a big pack of Phostrogen at £4.79 and a potash-rich 500ml box of Tomorite at £2.49; both can be applied so easily with a hose if you fix on the no-clog Miracle

Gro Feeder which comes with highly nitrogenous Miracle Gro, which I do not use, but is particularly cheap at £6.99. Alternatively, you can water on fertiliser where the best cans are made by Haws and there is now a cheap and cheerful Haws Practical model at £9.99.

Everybody also needs some lime of attack against pests. My favourite slug and snail killer is the admirable Growing Success which is both organic and lethal.

You may prefer to give a Bosbag at £8.39 on the grounds that it sounds like your horticulture partner anyway. In fact, it is an all-purpose piece of sheeting which will stand up as a rounded bag and take all the garden rubbish without involving a wheelbarrow. It will also hold dead leaves; please do not give anyone one of those awful leaf-blowers which are all the rage and so needlessly noisy that they ruin the neighbours' weekends.

Testi, any of them would do. Prices range from £10.750 for the YBSR to £23.000 for the top-of-the-range high-tech Testi. Contact Galleria Bimota on 0493-872707.

As a stocking filler, go for earplugs (widely available). These are essential safety accessories to guard against hearing damage caused by wind noise when riding for long periods at speed.

And if you are in danger of having to listen to repeated playing of *Ducati Passions*, then buy some for yourself as well.

The Motorcyclist

By Peter Whitehead

Check a motorcyclist's fingernails before buying him or her anything for Christmas. Black, oily hands belong to bikers who spend most of their time building and rebuilding machines. Buy them spanners, sprockets and industrial strength hand-cleaners.

Manicured motorcyclists are more difficult. They are likely to have almost everything they need and want, from leathers and waterproofs to luggage and sophisticated security equipment.

They are unlikely, however, to have *Ducati Passions*, a compact disc featuring the exhaust sounds of 18 different Ducati motorcycles recorded by the Ducati Club of Sweden (£13.45 by mail order from the Road Racer catalogue, tel: 0477-543904).

A "track" lasts less than a minute and the recording quality is splendid - but only a total obsessive would find it a lasting pleasure. On the other hand, it has the virtue of novelty, and could be useful for encouraging overstaying supper guests to get on their bikes.

In the same catalogue is a range of wonderful tin toy motorcycles, priced between £9.95 and £35. The originals upon which some of these are based sell for hundreds of pounds at auction, yet you would be pushed to tell the difference at a quick glance.

Thinking bigger, my letter to Santa lists a single item: any one of the motorcycles made by Bimota of Italy. The models in this range are sport-style bikes and are as beautiful as pieces of working machinery can possibly be.

The Biposto, Furano or the

The Field Sportsman

By Jonathan Young

The smartest Christmas shooting stockings - as worn by the Prince of Wales - are knitted in local traditional patterns by Alison Thomson of 30 High St.

The Field Sportsman

By Jonathan Young

The smartest Christmas shooting stockings - as worn by the Prince of Wales - are knitted in local traditional patterns by Alison Thomson of 30 High St.

The Field Sportsman

The Field Sportsman

The Field Sportsman

brush for snow removal plus a de-icer spray and scraper will be appreciated.

If your partner has just been pinched for breaking the limit, you may be considering the gift of a radar detector to warn of speed traps. But forget it. In Britain, they are legal only so long as they are not switched on. On mainland Europe, the police are liable to confiscate them on sight and fine you heavily just for having one.

The Skier

By Arnie Wilson

Expert skiers are often obsessed with finding out how many vertical feet they ski. The Avocat Vertach Ski wrist watch will tell them to the nearest five feet. All you need to do is set it before your first run and it will automatically calculate vertical feet and the number of runs you ski all day long without you having to touch it again.

The following day you can either start your tally again or keep a running total. The Avocat which works on aviation technology using barometric pressure, will clock up 230,000 vertical feet (more than enough for most skiers' holidays) before returning to zero. But if you keep a running total, remember to turn it off after each day's skiing or the watch will keep calculating your vertical drop when you are driving or even walking downhill.

The Avocat, which has a stopwatch and displays altitude, highest skiing speed, barometric pressure and of course, the time, costs £119.95 from Snow & Rock, 188 Kensington High Street, London W8 7RG. Tel: 071-937 0872.

One criticism of the so-called 'Fat Skis' designed to make powder skiing easier is that they are not so hot on piste.

Now Porsche has come up with a design it claims works just as well on or off piste. They are black and as sleek as a fat ski can be, and they retail at £850 (bindings £175 extra) from Porsche Design, Corporate Office, American PD Company Inc, 331 South Rio Grande Street, Suite 105, Salt Lake City, Utah 84101. Tel: 0101 801 575 8815.

For the ultimate Christmas gift, what about hiring the most famous mountain in America: Aspen's Ajax.

The day after the ski season ends on April 15, it could be yours for \$100,000. For that you could take up to 100 guests, who would each ski free and have their own instructor for the day - plus lunch of course.

You could even groom whichever slopes you choose at no extra cost. The fee would be divided in two, with \$50,000 going to your favourite charity and the other \$50,000 going to Aspen Skiing Company's favourite charity.

Contact Killen Russell, Vice-president of Communications, Aspen Skiing Company, PO Box 1245, Aspen, Colorado 81612. Tel: 0101 303 544 3070.

The Motorcyclist

By Peter Whitehead

Check a motorcyclist's fingernails before buying him or her anything for Christmas. Black, oily hands belong to bikers who spend most of their time building and rebuilding machines. Buy them spanners, sprockets and industrial strength hand-cleaners.

Manicured motorcyclists are more difficult. They are likely to have almost everything they need and want, from leathers and waterproofs to luggage and sophisticated security equipment.

They are unlikely, however, to have *Ducati Passions*, a compact disc featuring the exhaust sounds of 18 different Ducati motorcycles recorded by the Ducati Club of Sweden (£13.45 by mail order from the Road Racer catalogue, tel: 0477-543904).

A "track" lasts less than a minute and the recording quality is splendid - but only a total obsessive would find it a lasting pleasure. On the other hand, it has the virtue of novelty, and could be useful for encouraging overstaying supper guests to get on their bikes.

In the same catalogue is a range of wonderful tin toy motorcycles, priced between £9.95 and £35. The originals upon which some of these are based sell for hundreds of pounds at auction, yet you would be pushed to tell the difference at a quick glance.

Thinking bigger, my letter to Santa lists a single item: any one of the motorcycles made by Bimota of Italy. The models in this range are sport-style bikes and are as beautiful as pieces of working machinery can possibly be.

The Biposto, Furano or the

The Field Sportsman

By Jonathan Young

The smartest Christmas shooting stockings - as worn by the Prince of Wales - are knitted in local traditional patterns by Alison Thomson of 30 High St.

The Field Sportsman

By Jonathan Young

The smartest Christmas shooting stockings - as worn by the Prince of Wales - are knitted in local traditional patterns by Alison Thomson of 30 High St.

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

The Field Sportsman

Timeshare flightpath to joining the jetset

Paul Betts discovers how to cut the cost of owning a private aircraft

I had been looking forward to a good hot breakfast, perhaps a glass of champagne or two, a quiet read of the morning newspapers and a dose before landing at Antwerp in the luxury of a private jet.

Instead, I was given a cup of coffee in a paper mug and a lecture on why buying an executive jet for Christmas, costing anything from \$2m for a good secondhand model to \$25m for a top-of-the-range Gulfstream IV, was not, as most people seem to think these days, a self-indulgence.

There is nothing quite like travelling around the world in a private jet. You can forget the tedium of airport lounges and long immigration control lines. When you land, it is a bit like arriving at a smart hotel in a Rolls-Royce. You feel pampered, important and free.

On one occasion, when I was living in Paris, I was invited by Alexandre Couvelin, who runs an air charter and private jet business out of Le Bourget, for dinner at Eugénie-les-Bains, way down in south-west France. We set off just after the Paris evening rush hour and were back by midnight after a *grande bouffe* at Monsieur Guerard's restaurant.

Another time, Henry Racamier, then head of the Louis Vuitton luggage group, part of the LVMH luxury-goods conglomerate, flew a little party in the Hennessy Cognac executive jet to Munich for a Flacido Domingo recital. It was a wonderful flight, sipping Veuve Clicquot over the Alps and listening to opera through the aircraft's headphones.

But Michael Riegel, managing director of the new UK-based venture called JetCo, insists executive jets are not just expensive toys for the boys – and, for that matter, their wives, who usually choose the interior layouts and furnishings. They are, he says, valuable business tools, which can make a significant contribution to the efficiency of a company.

Riegel has imported to Europe the US concept of part-ownership of executive jets. He is touring Europe this week with three corporate aircraft – a Hawker 800, a Beechjet 400A and a turboprop Beech King Air – to try to interest potential buyers in acquiring a share of a new business aircraft as a

more cost-effective way of investing in a private jet than buying one outright.

Although there is still a general appetite to fly in private jets, in the frugal 1990s there is also a declining desire to own them. Mike Hamlin, another entrepreneur, who has set up the London JetShare Company, says: "Financial irresponsibility still haunts the industry."

JetShare also offers the opportunity to invest in a share of an executive jet, but unlike JetCo it deals only in second-hand aircraft.

Aircraft "timesharing" schemes reflect the need to revivify a \$60m annual market, which slumped in the early 1980s when the Inland Revenue abolished 100 per cent capital allowances on private aircraft. The tax advantage of owning a private jet had meant that companies went out on a spending spree even though they did not always need to own a fleet of aircraft.

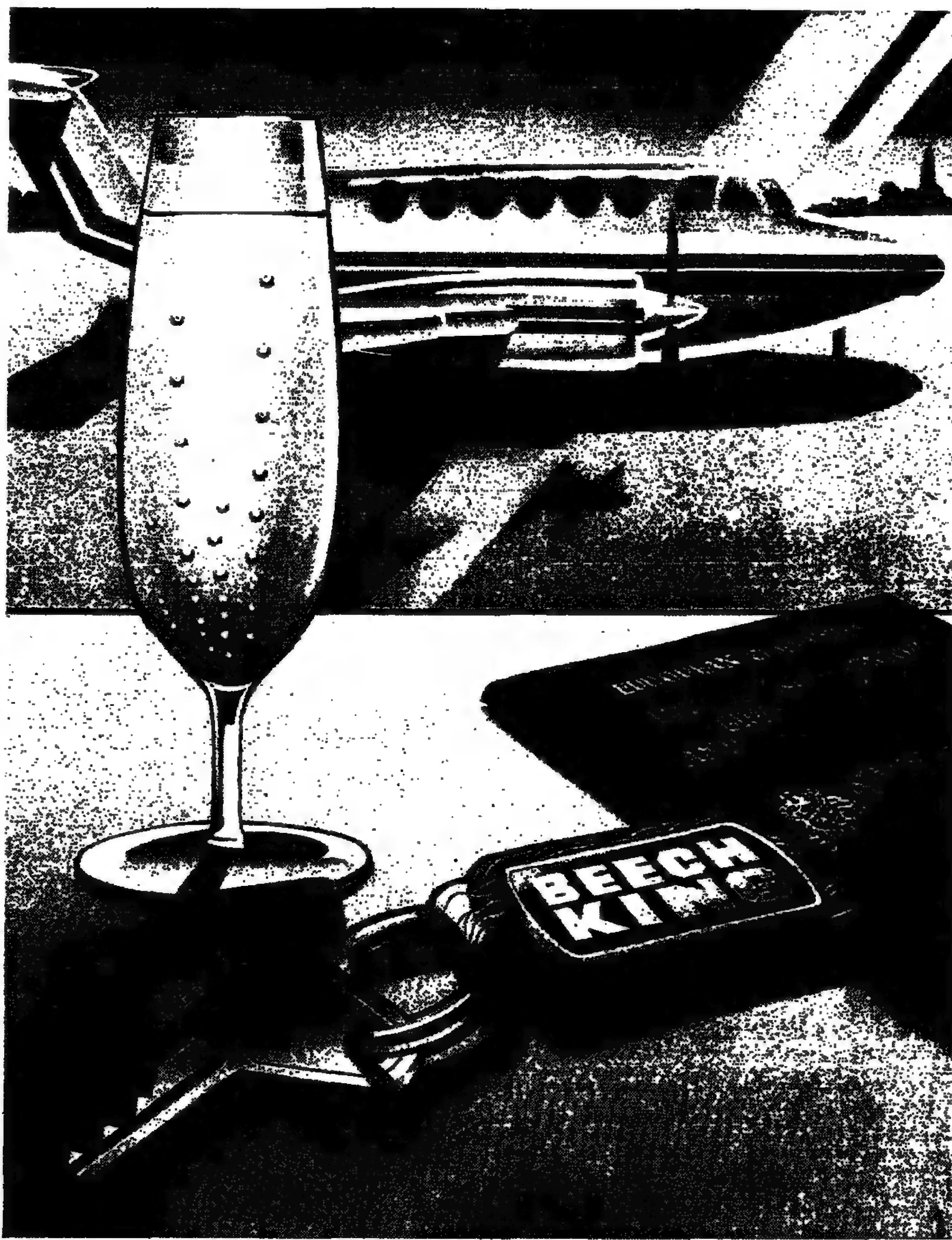
When the allowance was scrapped, the late tycoon Sir Charles Clore got rid of all six of his jets.

Hamlin says: "What we have seen is a change of customer. Once, people bought a private jet for tax benefits, now they buy them because they need to go somewhere."

Companies have also become reluctant to invest in a private aircraft because their shareholders and accountants think it is a waste of money. The classic example is BP. One of the first decisions Bob Horton took when he became chairman of the oil company was to invest in two Hawker 800s and a Gulfstream IV. When he was pushed out in 1992, the first thing the new management did was to sell the three aircraft.

Other private jet owners, such as the late Robert Maxwell and Gerald Ronson, have given the business a bad image. Statistics suggest that more companies that own private jets go bust than companies without any. But it is not just that the 1990s are a cost-conscious decade. Hamlin says the price of owning a private jet has simply become too high.

The cost lies not so much in the purchase price as in the owning and running expenses. It is a bit like buying a brand-new DeMille car – the depreciation is immediately in free fall. Fixed and operating



costs can also be a blank cheque. To replace two windshields smashed by a bird on a Citation costs about \$50,000, and private jet-owners pay double the amount airlines pay for fuel and parts because they do not have the same buying power.

Riegel says one of the reasons it is so expensive to own a private jet is that, on average, owners fly only about 150 hours a year in them.

"A corporate jet flies only about 10 per cent of a normal schedule airline. They also fly a lot of the time empty on return legs after dropping their passengers at their destination. About 35 per cent of all corporate aviation flights in Europe are empty flights," he says. As a result, private jets are productive only 3 per cent of the time, making them a somewhat onerous asset.

This is where joint ownership can help. "Sharing the asset means you get far better utilisation out of the jet," says Hamlin. "You also get more flexibility than if you simply chartered an aircraft." Riegel agrees: "Our share scheme is designed to lower ownership costs by 50-60 per cent at the same time as giving the investor a more responsible image."

Under the JetCo scheme you can buy shares ranging from a third to an eighth of a new jet. Depending on the size of the stake, you are guaranteed a certain number of flying hours a year: 75 hours for an eighth; 150 hours for a quarter and 300 hours for a third. JetCo will also guarantee you an aircraft within six hours of booking it.

Once people bought jets for tax benefits, now they buy them to go somewhere

You will not necessarily always get the same aircraft, but the company is planning to acquire a sufficient number of new aircraft all fitted to the same standards to ensure availability.

In some cases, it may have to charter in an aircraft if its own fleet is fully in use, but the customer will always have an aircraft when he needs it.

A quarter share in a Hawker 800, which used to be the British Aerospace 125 before the UK company sold its private

jet business to the US Raytheon group last year, costs \$2.7m compared to the aircraft's sticker price of \$10.8m. The annual costs of keeping the aircraft are also much lower. With a quarter share, annual depreciation at, say, 10 per cent will total \$270,000 against \$1,080,000 for a fully owned aircraft.

Annual fixed costs such as insurance and regular maintenance in the JetCo scheme will amount to \$240,000 compared with \$375,000 if you owned the aircraft, while variable costs, including the actual time you fly the aircraft, come to \$315,000 a year compared with \$341,000 under full ownership.

If you add what Riegel calls "opportunity cost" – that is the annual interest you would have earned in the bank from the saving in your initial capital investment by buying a quarter share rather than a full aircraft – you would save \$1,578,500 a year by investing in a quarter timeshare, which would probably give you all the private flying you would need in a year.

It is still not cheap when you consider that total annual costs of owning a quarter stake in a Hawker 800 amount to \$935,000. But it still beats paying annual costs of more than

\$2.4m if you owned the whole aircraft.

Even at these costs, the more parsimonious millionaires of the 1990s are still extremely hesitant about investing in executive jets. For this reason, both Riegel and Hamlin have stepped up their marketing campaigns to persuade them of the benefits of corporate aviation.

Business jets can save precious time for top executives who value their time at around \$500 an hour. "Think of how many \$500s they are losing every year hanging around airport lounges," says Riegel. And Hamlin adds that a corporate jet can be an important marketing tool in helping a company win big contracts.

To demonstrate how effective a corporate aircraft can be, Riegel organised a day-trip from London to Antwerp, Paris and Jersey and back to London which took just under 11 hours with time for meetings at all three destinations. By scheduled airline, the same trip would have taken 37 hours and 25 minutes.

Hamlin has gone one better. He holds a Guinness Book of Records accolade for flying in a corporate jet to all the European Union countries in 19 hours.

Too late to shop, but not to give

Some gifts need only a little thought, says Lucia van der Post

It is too late now to have a portrait painted, commission the necklace you always knew she wanted, plant a garden, order a customised yacht... But it is not too late for a little thought.

Thinking back through the years to the presents I have loved the best, they are nearly always the ones with the most personal meaning: the ones that have involved thought, organisation or perfect timing.

Tickets for the opera/theatre/concert one has been longing to go to, membership of a club one has wanted to join, a rare plant for a corner in the garden, a painting, a book by a favourite author or on a specialised interest, a subscription to a magazine, a lithograph of a much-visited place... all these are presents that will be appreciated and can still be organised. Here are just some suggestions.

Theatre Tokens, which can be used at more than 150 theatres throughout Britain, including all those in the West End, can be bought in almost any denomination, either from branches of W. H. Smith and James Thin Booksellers (Scotland), or by credit card through the 24-hour line Tokeline: 071-240 8800.

Sadly, Interbook, the service which had the bright idea of sending books in much the same way that Interflora sends flowers, has folded. However, Dillons Direct (0345-125704) will send any book in print, and for an extra \$1 will gift-wrap it too. Waterstone's mail-order service (0225-445595) will do likewise, and postage is free for books costing more than \$35. Usual turnaround time is seven days. Waterstone's also offers to track down out-of-print books (071-424 1195). After finding the book, it tells the customer what condition it is in and what it will cost, and the customer is then free to buy or not.

For anybody living in a Georgian house, a good present could be membership of The Georgian Group at 37 Spital Square, London E1, (071-573 1725). Single annual membership costs £20, or £32 for a family. It publishes three newsletters a year, organises activities such as holidays, evening visits and lectures, but possibly most important of all, it offers advice on architectural matters such as where to track down appropriate materials, how to convert sympathetically etc.

Membership of the Friends of the Royal Academy is well worth having – particularly for those who live out of London. For £27 a year (with a range of discounts for OAPS and students), the member and a guest, plus up

to four children, get free entry to all Royal Academy Exhibitions (at least six a year) with "privileged entry" – which means you do not have to queue. The Friends' room, where members can rest in peace and quiet, is a great boon.

For bookworms, consider giving membership of the most distinguished and useful library in London: The London Library, 14 St James's Square, London SW1 (071-830 7705). Personal membership is £120 a year, which allows the member to borrow 10 books for as long as two months.

Out-of-London members can order by post (postage extra) up to 15 books at a time. The library can also be used as a reference library for £12.50 a month.

For the fit and adventurous, a day of action could be fun. Acorn Air Sports sells vouchers promising a session's flying, gliding, helicoptering, tandem skydiving, parachuting, ballooning or karting. Prices start at \$31 (for gliding) and go up to \$361 (for tandem skydiving). The nervous or the wise will include insurance – which is extra – in the package. For a brochure, write to Acorn Air Sports, Wycombe Air Centre, Booker, Marlow, Bucks SL7 3DR. Credit card telephone line: 0494-451703.

For drivers who spend hours in their cars or people whose eyesight is not all it might be, The Talking Book Shop, 11 Wigmore Street, London W1, has more than 600 different titles. The best are the unabridged versions of the classics, but there are lots of others to choose from. Credit card line: 071-491 4117.

"For Lovers of the Macabre, & the Darkly Romantic" The Gothic Society hopes this description of itself will entice new members. For a £20 annual membership fee, you get four magazines covering such subjects as the old legend of the Wandering Jew and the new legend of the Highgate Vampire, as well as a chance to buy other books and essays. Send cheques to: The Gothic Society, Chatham House, Goshill Road, Chislehurst, Kent. (061-487 8475).

The overworked, stressed, or overfed will appreciate a pampering day at a spa. The Dorchester in London's Park Lane has a spa that is new, grand and as yet not overcrowded. Vouchers can be bought by ringing the Spa direct line (tel: 071-495 7336). A detoxifying day (for those who have indulged not wisely but well) offers a heat treatment, an exfoliation (to remove skin impurities), a hydrotherapy bath, massage and facial and costs £100, including a light lunch.

At first sight
That over the
Tiffany & Co.

TIFFANY & CO.

ARM MUNITIONS.

HOLLAND & HOLLAND

31-33 BRUTON STREET, LONDON W1

REFINEMENT STILL COMES WITH A DOUBLE-BARRELLED NAME

Liberty No-déjà-vue

"Georgia"
Tubular printed devorée
velvet scarf with
hand-knotted fringe
£195.

LIBERTY

Available from Liberty, Regent Street and Heathrow Terminal 3. Harrod's, Knightsbridge. Windsor, Yarnaro, London EC4. Helen Hayes, Barnes SW13. Pollyanna, Barnesley, Jenners, Edinburgh.

LIBERTY BRAND PRODUCTS, 34/35 BERWICK ST., LONDON W1V 3RF. TELEPHONE: 0171-734 9977.

TRAVEL

A holiday near the killing fields

Cambodia is trying to put its tragic past behind it, writes Mark Hodson

After three hours in Phnom Penh I was lying by the roadside, bleeding from the leg. This atrocity was nothing to do with the Khmer Rouge - I had been knocked off my rented bicycle by a 10-year-old boy on a moped.

Three giggling mechanics working on a battered Toyota, helped me up and straightened the front wheel. One offered a grimy rag to use as a bandage. The boy smiled and sped off: no need to exchange names and addresses as no one there has a driving licence, let alone insurance.

The recent murder and kidnapping of western tourists would make most people consider a trip to Cambodia a holiday in hell, yet every day more flights arrive from Bangkok, Paris and Singapore, bringing young backpackers and latter-day exploiters. So what is the fatal attraction?

In the 1930s, Phnom Penh was said to be the most beautiful city in French Indochina, its wide boulevards lined with palm trees and mansions with sweeping balconies. But it has suffered years of neglect.

The Khmer Rouge destroyed many of the houses, then abandoned the city and frogmarched its inhabitants out to work in the killing fields. Later, occupying Vietnamese troops looted much of what remained.

Since the signing of the Paris Peace Accord in 1991, restoration has begun in earnest and now, like an elegant madame, Phnom Penh is back on her feet, dusting herself down and powdering her nose. Good breeding, after all, will out.

If your nerves can stand it, renting a bicycle is a fast - and usually painless - way to see the capital. Down broken backstreets stand crumbling colonial villas with wrought-iron gates and peck-marked porticos. Art Deco houses once occupied by French merchants and diplomats would be worth millions in Miami. Some have been restored by foreign embassies, but many others are occupied by squatters. On

patchwork rooftops, turrets lean dangerously, apparently held up by a spider's web of telephone wires and electricity cables. Lines of laundry are strung between television aerials, and green peeling shutters hang from broken hinges. It looks as if one firmly slammed door would flatten a neighbourhood.

The roads in Phnom Penh were laid on a grid system, but are maddeningly hard to negotiate. There are no street signs and no apparent logic to the numbers. Rue 113 runs alongside Rue 105, which is followed by Rue 85, and then the main thoroughfare Monivong Boulevard, which is also known as Achar Meas Boulevard.

The city boasts just one set of traffic lights and everywhere bicycles vie for elbow space, their panniers piled with video recorders, mattresses and squealing piglets. Unofficial motorcycle-taxi drivers loiter in packs at every street corner. Some speak a little English, but they all seem permanently lost.

I pulled up at a busy junction to get my bearings and a French-speaking policeman drew me a map and waved encouragement as I wobbled off in the right direction.

Along the main streets, ethnic Chinese families sell everything from tractor parts to croissants. The shop names have been translated into English and many are collector's items: Up To Date Elegant Wares, Hung Hut Sell The Glasses and a bar called Drink Tiger Beer No Problem.

At the central market, a star-shaped yellow concrete building, you can buy underwear from Thailand, counterfeit watches from Taiwan and handfuls of fried cockroaches, which I could not bring myself to taste. Nearby is a fast food joint that proudly claims to sell Cambodia's first take-away hamburgers. I gave that a miss too.

After getting my leg cleaned up, I ate some spicy fish soup and a baguette at the Capitol Hotel, the favoured hangout of budget travellers.

It was a fly-blown dive,



The wheel thing: If your nerves can stand it, renting a bicycle is a fast - and usually painless - way to see Phnom Penh. The city's roads were built on a grid system, but are maddeningly hard to negotiate.

where German backpackers rubbed shoulders with bleary-eyed French photographers. One drawing American with a big Russian motorbike and a handlebar moustache, claimed to be a Vietnam veteran, but behind the Ray-Bans he looked a little too young.

Later I ventured into the Heart of Darkness, an all-night bar where travellers play pool

and trade tall stories. I had planned to walk there, but a motorcycle-taxi driver offered me a free ride in the hope that I would need him on the way home.

Sure enough, when three of us piled out later to go to a nightclub across town, he was waiting. We raced down deserted unlit streets three abreast, swerving around pot-

holes as big as bomb craters. Lone soldiers stood at street corners smoking cigarettes, automatic rifles slung across their shoulders. Otherwise, the city slept.

After 15 minutes we ducked down a back street past building sites and ghostly tenement blocks, then turned a corner to see a huge disco heaving with people. With hanks of flashing lights and pounding music it looked like a party at the end of the world.

The bouncers on the door ignored us: they were busy shaking down a local teenager who was trying to walk in with two handguns stuffed in his jacket pockets. Inside it was wall-to-wall hookers.

Dosens of pairs of eyes followed us to the bar. Hair was hastily adjusted and hemlines wriggled into place. There were 50 or 60 girls there - Vietnamese, Thai and Cambodian - and we seemed to be the only men.

Phnom Penh has few sights, the most notorious being the Killing Fields themselves, where a glass stupor packed tight with human skulls stands

in a tranquil meadow. It was there, five miles outside the city centre, that 17,000 people were massacred. Many were first tortured and mutilated, and, to save ammunition, the Khmer Rouge lined up their victims along the edges of mass graves and clubbed them to death with axe handles.

Scrapes of clothing and human bones lie around the field, but it remains an inadequate memorial to such a horror. Birds sing in nearby trees and glittering rice terraces stretch out to the horizon. It fails to shock which, in a strange way, makes the experience all the more disturbing.

Far more horrific is Tung Sieng, a former school turned war museum once used by the Khmer Rouge to torture intellectuals. Countless atrocities have been catalogued there and whole walls covered with pictures of victims, who were meticulously numbered and photographed when their time came to die.

Despite Phnom Penh's bleak history, most visitors are captivated by its vitality and prickly energy. There are so

few sights, you feel as if you should not be there, which is part of the fun.

The newspapers were full of "incidents". The previous day three people had died when a train was ambushed by the Khmer Rouge. Such attacks had become so common that the poor were allowed to ride in the front two coaches without paying. It was not exactly free travel: if the train hit a mine, some would pay with their lives.

Cars were stolen by gangs in neighbouring Thailand and waved across the border by corrupt officials, which was why half the vehicles were right-hand drive even though Cambodians, officially at least, drive on the right.

Land-mines remain the greatest danger. There are estimated to be 10m buried around the country, more than one for every man, woman and child.

Next day, I took a cruise up the Mekong River with a group of British and Australian expats. They had hired a local ferry-boat and were knocking back Johnnie Walker and Tiger Beer before lunch.

We found a deserted sandbank that would serve as a beach and swim in the slow murky water as it heaved the last leg of its epic journey from Tibet to the South China Sea.

In the late afternoon, we went in search of food at a riverside village where wealthy locals spend their weekends. There was a string of floating restaurants along the bank, but none seemed interested in serving dinner.

At one, a group of soldiers lay slumped across tables piled high with empty beer cans. Outside, bare-chested men with tattoos of Buddhist temples across their backs played boules in the dirt. We got back in the boat for the return journey to Phnom Penh as the sun dipped low over the water. Clouds appeared to the east near the border with Vietnam and sheet lightning flickered across the sky like a broken strip light. We waited for half an hour before the first thunderclap then sat looking to the heavens as fat raindrops exploded on our parched faces like tiny, friendly bombs.

HOLIDAYS & TRAVEL

SPECIAL INTEREST

Continental rail bookings with a single call

New French Railways "Rail Shop" opens up the ENTIRE EUROPEAN RAIL NETWORK to everyone travelling in the UK and on the Continent. ALL IT TAKES IS ONE PHONE CALL TO BOOK EUROSTAR AND:

- British Rail Eurostar - Tickets for 14 European rail journeys • Instant reservations
- Special fares for under 26s • Senior citizen discounts • Eurostar rail passes
- Cross-Channel ferries • Travel insurance • Hotel reservations • Short-Break holidays

With "The Rail Shop" you are assured of fast, efficient, comprehensive service, including same-day mailing of tickets.

FOR BOOKINGS ONLY CALL

0345-300 003

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

For more information call

0891-515 477

SAFARI

ZIMBABWE

TANZANIA

BOTSWANA

NAMIBIA

TAILORED SAFARIS

Luxurious remote lodges.

Walking, canoeing, riding and

vehicle safaris with the very best

guides. Superb wildlife.

Adventure with comfort.

Call us to create your ideal safari.

Phone John Burdett on

(0204) 28879

AFRICA

EXCLUSIVE

Hamilton House,

88 Palmerston Rd

Northampton, NN1 9EX.

OKAVANGO

TOURS & SAFARIS

Simply the best for:

BOTSWANA

ZAMBIA

ZIMBABWE

NAMIBIA

SOUTH AFRICA

Tel: 081 343 3283

Fax: 081 343 3287

Gadd House

Arcadia Avenue

London N5 2JF

AUSTRALIA

Great

Barrier

Reef

LIZARD

BEDARRA

ORPHEUS

HAYMAN

DUNK

Contact us for special rates at

these islands and other resorts

throughout Australia.

Call for our full brochure, let us make

Australia the holiday of a lifetime.

0284 762255

Travel Portfolio

73 Churchgate St.

Berrig St. Edmunds IP33 1RL

Inquire in London 0891 4741

HOTELS

LONDON IN STYLE

At This Superb Town House Hotel

CORPORATE ROOM RATES FROM JUST 255 FULLY INCLUSIVE WITH

COMPLIMENTARY CHAMPAGNE WELCOME OFFER

• Overlooking Hyde Park • Private Car Park

• 55 Personalized Rooms • Restaurants & Bar

• Deluxe Rooms & Suites • 24 Hour Room Service

LONDON ELIZABETH HOTEL

Langens Terrace, Hyde Park, London W2 3PP

Tel: 071-482 6441 Fax: 071-224 8998

SKIING

OH DEAR ME

There's no snow in The Alps...

"Don't Worry"

SCANDINAVIA

To the Rescue

Blue Skies, White Snow Everywhere

• Lift Passes From £58.00 • No queues

Now 11-9 days for the price of 7

0533 395000 open 7 Days 11 hrs

JAN 19: 2349 185

WEEKEND SKIING

We are the specialists in

organising flexible

short breaks using

scheduled flights for

individuals, groups or

corporate bookings.

TEL: 0565 241636

WEEKEND

WEEKEND SKIING

WITH THE EXPERTS

More choice for pleasure or

business. Fly any day for

any number of days.

White Roc Ski 071 792 1188

ATOL & AUTO

CHALETs

VERDER due to last minute cancellations

luxury chalet available over Christmas.

Sleeps 10. Exceptional cooking and chalet

get provided. Telephone 071 521 0188

UP TO 60% DISCOUNT ON

SCHEDULED FLIGHTS

WORLDWIDE

WORLD-LINK

ATOL, ATOL & ATOL

ATOL, ATOL & ATOL

ATOL, ATOL & ATOL

ATOL, ATOL & ATOL

ATOL, ATOL & ATOL

ATOL, ATOL & ATOL

Lagoons with a view

Alan Ponsford on Hawaii's 21st century resort

Driving out of Honolulu airport, I remembered just in time not to turn right, as I had done a score of times, to head east into the city along the southern shore of the island of Oahu.

That is what the torrent of tourists have always done, most of them flooding into the skyscraper blocks of Waikiki and its famous beach.

Instead, making a left on to Highway 1, relaxing as the traffic thinned beyond Pearl Harbour, I was bound for West Oahu's hospitable city of the future, Kapolei, now rising out of a green cane-field site. Its new holiday area of Ko Olina is already plying for trade in the form of the sumptuous Ihilani Resort and Spa and its adjoining golf course.

The fledgling city's procreator was a shrewd, adventuresome Irish immigrant, James Campbell, who in 1879 sank a well into the then barren Ewa Plain. It uncorked a vast artesian water supply that was to feed prolific sugar plantations for many years.

When Campbell died in 1900, leaving an estate worth \$3m, his will began an intriguing tale that will reach its climax a century later. It stipulated that the estate remain intact, administered as a trust named The Estate of James Campbell, to be terminated 20 years after the death of the last of his four surviving daughters.

Thus the death of Beatrice in 1927 triggered the distribution of the assets to the beneficiaries (though not necessarily liquidation) on January 20 2007.

The value of the Campbell Estate has grown to more than \$2bn, so that even now the



Hawaii life: For many, Honolulu's Waikiki strip will always appeal.

heirs of the daughters share \$40m annual profits.

With the ending of sugar production in Campbell's corner of Oahu, its development could have meant uncaring urbanisation and despoilment of the rocky coast. Happily, today's four Estate trustees have proved visionaries.

They declare that they have "master-planned Kapolei... to create a balanced city... with a diversity of people". They say they have created a self-contained community - not a dormitory - for Honolulu and are offering a different visitor experience for holidaymakers.

Ko Olina should certainly do that. For many the Waikiki strip of downtown Honolulu will always appeal, with its high-rise, brick vitality, tacky stalls, elegant international big-name stores, and a crowded beach pervaded by the odour of coconut oil, which has survived the evolution of sun-tan cream into digital block.

But one in five of the 6m visitors a year trek back to the airport at some stage for 20 or 30-minute flights to one or more of the so-called neighbour islands.

They and others seeking a calmer, unspoiled setting, yet still within half-an-hour's drive of Honolulu, are fixed in the sights of the Ihilani. The other three planned hotels will follow its lead in promoting a "neighbor island experience" without the hassle. The hotels are being set in four coves - lagoons in local parlance - carved into the coastline, providing crescent-shaped beaches and safe swimming.

All will fit with Kapolei's image of quality. At an average of \$386 a day, the Ihilani's capacious rooms are not aimed at the hot polloi. Its Hawaiian name of Heavenly Splendor is a challenge it meets with style and luxury.

It can provide a one-stop holiday with its large, circular

swimming pool, four restaurants, each with its own cuisine, tennis club, children's programmes, a spa purveying every known form of pummeling and pampering, and the maturing Ted Robinson-designed golf course, built around masses of still and tumbling water.

That is important. For although Ko Olina is a small blob on the fringe of the Kapolei long-range master plan, the cranes and bulldozers are going to intrude on the city for a long time, as it develops into a spacious community of houses (for 75,000 people by the turn of the century), schools, university campus, commerce and light industry.

The upside for Ko Olina's hotel guests is that they are going to benefit from Kapolei's provision of shopping and entertainment facilities, marinas and lots more golf courses - and from a planning philosophy that insists on extensive parks, many miles of cycleways, and landscaped walkways, incorporation of traditional Hawaiian architectural styles and a bicycle park for every substantial building.

Already a big shopping centre is open

Flying on wheels under the Channel

Christian Tyler travels safely by Eurostar – but feels he hasn't travelled at all. And Nicholas Lander is more interested in the food than the view

If there were a few die-hard earthshakers who condemned the Channel tunnel as a crime against nature, most of us could not wait for the day when the journey from London to Paris or Brussels was reduced to a seamless three-and-a-half-hour trip.

But Eurostar is a breach of the rules. Planners, engineers, architects and designers have conspired to overturn the laws of physics – never mind the conventions that once made foreign travel a sensory adventure. There is no more "abroad".

From the moment when the wide-eyed passenger enters the terminal he is dematerialised, desensitised and disembodied. He, or she, might be in transit to Mars, were it not for the fact that the spaceship's yellow nose is pointing aggressively to the horizon.

Once aboard the sleek projectile, all contact with the external world is snuffed. An invisible controller delivers over the intercom some bureaucratic banalities: "Please ensure that your seat number corresponds to the number on your ticket", and so on.

The rocket ship pulls away but there is no sense of forward motion. Instead the scenery of a new alien world is wound energetically past the window in the way they used to do for the silent movies in Hollywood.

There is no wind or weather here, no smell of ozone, no clank of old machinery, no whiff of Gendarmes or strange foreign odours. All we hear is the distant hum of electric power, and the squeak of the food trolley as it is dragged down the aisle by its well-dressed, bilingual attendant.

As the mouth of the tunnel looms, the invisible controller makes a brief announcement. Some of the passengers fidget and wipe their palms on the grey moquette upholstery. But nothing very much happens. There is a "pop" as the atmospheric pressure rises and the scenery-projectionist changes a reel. For 20 minutes the passengers are shown a piece of cine-minimalism. It is the

story of passing lights in a grey wall with all the visual excitement of an Andy Warhol epic.

Another atmospheric pop signals the end of the tunnel. Now Eurostar sets off across country like a racehorse and the invisible controller boasts that the train has reached its maximum speed of 300kph (186mph). Yet all the passengers notice is a slight lateral movement of the carriage. The burst of speed does not last long.

Eurostar may be the most efficient, hygienic mode of transport since the wheel. But plainly there are sacrifices. For myself, on a recent trip from London to Brussels and back, what was missing was the sense of passing from one country, one culture, to another.

It's amusing to dematerialise in London and be reconstituted in another capital

This is not train travel. It is flying on wheels. The compartments (at least the second class compartments) seem to have been purposely designed to inhibit all movement, conversation or cultural intercourse. Rows of high-back seats are set out just as in the cabin of an aircraft. There are little mustard-yellow antimacassars, fold-down tables and not nearly enough room between rows for any normally-designed adult human being.

But it is amusing to be dematerialised in London and painlessly reconstituted in another capital. It was *piquant* to go from the quaint English atmosphere of the Turf Club, where I had been invited to lunch, to the trendy purloins of a Brussels *brasserie* where I had dinner. Apart from a short taxi ride at each end there was no sense whatever of having travelled.



EUROSTAR 'DISCOVERY' TICKET PASSENGERS IN STANDARD ACCOMMODATION - PARIS NORD TO LONDON WATERLOO

A leisurely breakfast in Surrey, an aperitif 10m under the sea, lunch in Paris and dinner gliding through Kent.

How very pleasant. This may not be why £10.8m was spent on the Channel tunnel. But since it is there, it certainly offers new opportunities for the determined international gourmand or those who would like to combine business and travel with a little relaxed entertainment. I decided to achieve this with the help of Eurostar.

I left London's Waterloo at 8.23am and arrived at 12.23pm at Paris's Gare du Nord, a short trip by Metro to any of Paris's great restaurants. On this occasion I was on a trip to watch the baking process at Côté's – an exciting venture which cleverly combines opera music and first-rate pizzas. By 1pm I was eating lunch at its branch at 55 Avenue des Ternes in the 17th *arrondissement* (tel: 43 80 88 70). The company's other venture is at 54 rue de Seine in the 6th, (46 33 35 36).

Although the airlines have spent millions upgrading their in-flight catering and wine lists, few business travellers want to eat or drink large amounts at 33,000ft.

However, if one travels first-class on Eurostar, it is feasible, safe and most enjoyable. The first-class ticket includes all meals and all drinks served at your seat – and my dinner was better than any meal I have had on a short-haul, business-class flight. You can easily consume the £40 difference between the £185 standard and £185 first-class return fare.

The enjoyment of the food may have something to do with being on the ground rather than in the air and the effects that altitude has on your taste buds.

A conversation with Philippe Cyganski, catering operations manager at Waterloo for the Cross Channel Catering Company, a joint venture between Wagons-Lits, Inter-City On Board Services and Sabena, revealed that the food on Eurostar is prepared by the same catering companies

which supply large airlines, such as British Airways. Eurostar has decided to best the airlines at their own game.

Certainly, the breakfast benefited from not being served slightly chilled – as is the case in aircraft. I cannot comment on the quality of the cooked breakfast – sausage, bacon, scrambled eggs, tomato and mushrooms – because the trolley had run out by the time it reached my seat. But the *viennoiserie* – croissants, pains au chocolats and rolls were first class. These are produced by Briador, a French company with bakeries in the UK and Belgium.

Even at 300kph there was no sensation of speed so that, unlike on a jet, I managed not to spill my orange juice or coffee. Breakfast, certainly without the most expensive dish,

Customs wanted to see passports just as the main course was being served

does not appear to justify the extra cost but the glass of champagne served at 9.30am, as we went under the Channel, was a nice gesture.

The dinner menu has an enticing cover and begins with the phrase "complimentary drinks". More importantly, it is more than value for money. First, comes a trolley with a free bar followed by another with your first course – slightly over-salty smoked salmon (not a clever move when you are giving drinks away) or *salade Niçoise*.

A charming, bilingual stewardess takes your main course order, beef fillet or grilled lamb noisettes, both served with vegetables, and places a small, sticky piece of paper with a letter "B" or "L" on to your headrest to enable her colleague to serve the correct main course. With all this comes wine, two whites and two reds, in quarter bottles.

After your main course plate has been cleared, you are offered impressive cheeses: Cheddar, Fourme d'Ambert and Camembert, cut in front of you and served with bread, crackers and dried fruits. Dessert could be gâteau moka, fresh strawberry flan or fruit. Coffee and liqueurs and a box of two Godiva chocolates follow.

Service is professional and obliging. The only difficulty for all concerned came when a trio from customs wanted to see passports and tickets as the main course was being served. Combined with the cost of breakfast, it was certainly worth more than the £40 difference in the ticket price particularly when compared with prices in the rather soulless, modern buffet range.

As the train pulled in to Waterloo I considered several points about the style of service. First, its quality is good but the staff were visibly finding the effort of serving so many courses to 210 first-class passengers (a short-haul, business-class flight normally seats 21) in less than three hours, a strain.

Will they be able to cope when the number of trains per day increases from 1995?

Second, will quality be maintained? Eurostar's troubled financial past will undoubtedly mean that operating costs will be closely scrutinised. I hope that ingredients and menus do not suffer.

Third, I wish Eurostar's management had taken a more adventurous approach to catering. This is undoubtedly the train of the 21st century but the catering is simply the best of the mid-1980s. If the same quality of food were supplied in a less structured manner, perhaps by a top *traiteur* or delicatessen from Paris, Brussels or London, would Eurostar offer an even greater gastronomic, as well as a travel, alternative to the airlines and the ferry companies?

However, I would recommend Eurostar travel and accept the challenge to eat, drink and enjoy the difference between the first and standard-class fares.

A coracle of my very own

Michael J Woods goes boat-building in Wales

I had always wanted to build my own boat. To witness with growing pride the transformation of planks of wood into a vessel as painstakingly, I would say, as plane and fit and shape. Finally, as high as the house and gleaming with fresh varnish and the glint of dozens of nautical accessories, it would be ready. A mobile crane would be hired and, with the local paper and regional television in attendance, my beautiful boat would be lifted over the rooftops for all the neighbours to see and settled carefully on a low-loader for its journey to the ocean.

To be realistic, though, I am far too impatient for such a long-term project and, in any case, my back garden makes a pocket handkerchief look like a tablecloth. But the desire still remained and so, when I came across a three-day course in coracle building, with a sea-worthy craft at the end of it, I had obviously found the answer to my dream.

It was a beautiful morning when I arrived at the woodland venue for the course, near Bulth Wells, in central Wales. I followed a path of sawdust and shavings towards a wood fire.

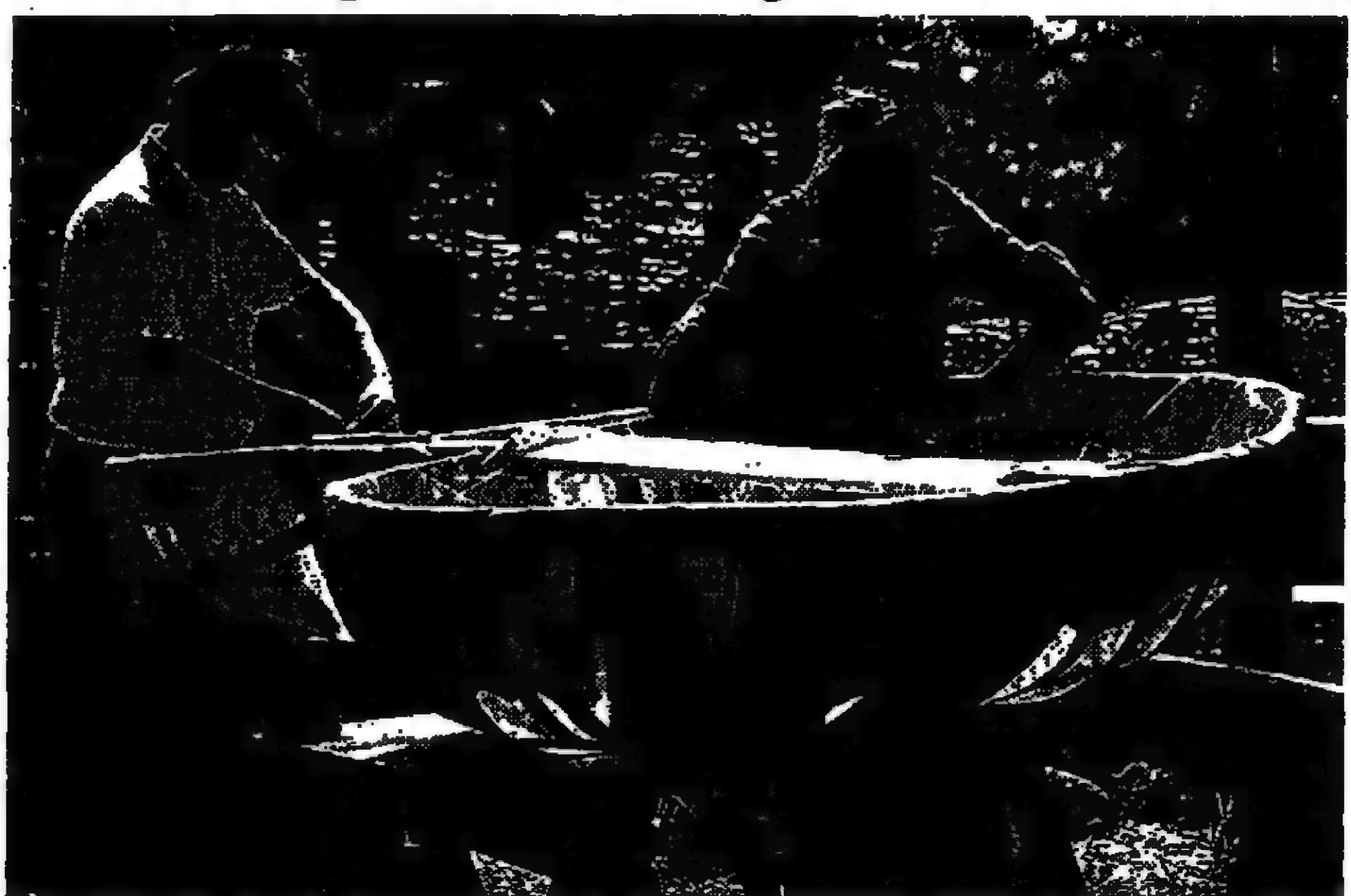
Gathered around it were nine other participants and Tim Wade, the course instructor and head boat builder. Tim is a bodger, a term once applied to skilled woodmen.

He is also a fine craftsman who designs and makes furniture. This year he won the commission for the National Eisteddfod's ceremonial chair. In comparison with that, a coracle is a simple affair, a basic craft originally fashioned from cleft ash and animal hides painted with pitch.

I began to build my coracle with nothing more rustic than a piece of softwood plank from the local DIY store. To this was added three legs and then woven ash laths which, to form the essential half-walnut-shell shape of the coracle, had to be bent.

Apart from the actual latching, this was the most exciting and the most tense part of the process. The laths were wrapped in sack and soaked first with cold and then hot water, which meant much fetching and carrying and stoking of the fire to keep plenty of water boiling for so many coracles.

The bending was a strange experience. To grasp a sack-



Coracle-making: bending the wood is like performing a magic trick

covered strip of hot wet wood, to apply pressure and feel it bend like lead or copper, was like performing a magic trick. It was as if the wrapping of the wood in wet sack was a rite which endowed my hands with a certain power. The tension came when the wood refused to comply – or perhaps my faith in my ability to bend it ebbed. The lath would begin to snap with an ominous crackling. With luck the deft use of a clamp would get me out of trouble. Otherwise, some careful splicing was required.

At the beginning of the day, we had carried our benches out of the barn to work in the sunshine. Sheep bleated, a buzzard mewed on the air currents and a pair of ravens croaked in the distance. Only occasionally was the peace shattered by the ground-shaking roar of a tree-trimming jet fighter.

Lunch came, made and delivered by Mrs Lee from the nearby village as part of Wade's policy of spreading the benefit of his enterprise into the local community. The afternoon swept past and by early evening the main bones were in place. We had all made coracle skeletons.

Stretching calico over these bones gave the coracle a bulk and substance greater than it warranted and led me to believe that this frail craft might float. Once fastened, and with additional material tucked away and sewn out of sight, on went the bitumen, a modern equivalent of pitch.

Three costs were necessary to ensure that it was watertight. The boat was almost complete. Next came the paddle. To make a round shaft from a square stick required the use of an instrument like a giant pencil sharpener. As with all of Tim's tools it was perfectly honed so that it worked without protest.

To fashion the T-shaped paddle handle, Tim Wade used his

I pushed off and made my way across the river – afloat in a boat I had built myself

pole lathe, a contraption put together from a stout sapling and a piece of cord which requires only a strong thigh to operate it. By pushing up and down on the pedal, the selected piece of greenwood turned back and forth under the chisel until, out of a shower of woodchips, came a perfectly rounded handle.

Turned greenwood is just one of the many uses of coppice. In a quiet moment, Tim showed me just how many products could be obtained from regularly cropped woodland: everything from besoms, apparently a popular item at city craft fairs, to charcoal – imported in to Britain in great

quantities every year – which could be supplied from native coppice.

The craft of coppicing is reviving, which must be good news for wildlife as its decline has led to the serious depletion of some species, such as the dormouse.

It was shortly after lunch on the third day that we loaded our completed coracles on to roof racks and trailers and into estate cars and hatchbacks and drove in convoy through the narrow Welsh lanes to the River Wye. One by one, we anxiously cast these cockle-shells on to the water where they bobbed on the surface, barely breaking the meniscus.

Stepping in, I pushed off and, by sculling gently over the bows, made my way across the river. I was afloat in a boat I had built myself. When I arrived home, I simply picked up the coracle and carried it through the house. It takes up no space in the back garden for I have hung it on the wall.

Coracle Making courses are run by Tim Wade over a period of three days at a cost of £125. This includes tuition, all materials, use of tools, lunch each day and a barbecue on the first night.

For details of this and other Greenwood Courses, together with suggestions for accommodation, contact Tim Wade, The Woodland Skills Centre, The Church Hall, Llanafan Fawr, Bulth Wells, Powys LD4 3SE. Tel: 0597-59469.



Enjoy a Bridge Weekend At Chewton Glen

Friday 20 January to Sunday 22 January 1995

The Financial Times invites its readers to spend an exclusive weekend at one of the country's top spa hotels playing bridge in the company of our Bridge correspondent, E.P.C. Cotter.

The Financial Times hosted a similar weekend two years ago in Switzerland at a hotel overlooking Lake Geneva, as illustrated in the picture above. It was a resounding success, hence a repeat of the weekend in a new location.

Chewton Glen offers luxurious accommodation, superb cuisine, outstanding recreational facilities including a 9-hole par 3 golf course, all set in wonderful parkland.

Bridge will be arranged each day by Clair Sexton and his wife Anne, who will also pair single readers and those with non-bridge playing partners as required. Pat Cotter will be on hand to help improve your game. The bridge will be of a "house-party" style with a mixture of rubber bridge in the evenings, and duplicate during the day.

To receive further details, simply complete the coupon opposite.

For a two night stay at Chewton Glen, the inclusive price, with full board and use of the Health Club and sports facilities, is just £300 per person. FT readers may tailor their arrangements as they wish, by, for example, arriving early (or late), or incorporating the bridge weekend into a longer stay at the special rates that we have negotiated*.

Special Bridge Weekend includes: Two nights accommodation in a standard room**; full English breakfast; lunch and dinner from the Table d'hôte menu with coffee; free use of indoor pool, gymnasium, spa pool, steam room, outdoor tennis court and par 3 9-hole golf course.

*each additional night costs £137.50 per person for full board. ** standard rooms can be up-graded for an additional cost per night - Suite £125; Croquet Lawn Room £75; Principal Room £40.

The information you provide will be held by us and may be used by other select quality companies for mailing purposes.

CHEWTON GLEN BRIDGE WEEKEND
To: Louise Gordon-Foxwell, Financial Times, Southwark Bridge, London SE1 9EL. Fax: 071-873 3072
Please send me further details of the FT Invitation to a bridge weekend at Chewton Glen.
TITLE _____ INITIAL _____ SURNAME _____
ADDRESS _____
POST TOWN _____
COUNTY _____
POSTCODE _____ TEL. NO. _____

CHRISTMAS FOOD AND DRINK

Simple,
tasty
canapésNicholas Lander sorts out some
professional party advice

For the past 18 months I have been working as a catering consultant for London's South Bank Centre where, from February 1995, there will be a much broader choice of what and where to eat and drink for the concert-goer or the visitor to the Hayward Gallery.

One of the more pleasurable tasks involved a testing of canapés prepared by companies keen to cater for receptions at the complex. In a spirit of goodwill they have submitted the recipes for some of their most popular canapés for you to enjoy during the party season.

Mange on the Move, London NW1. Tel: 071-284 8849, fax 071-483 1842. Finger-food menus from £5 to £15.

GRILLED ASPARAGUS AND PARMESAN WRAPPED IN PARMER HAM (makes 24)

One bunch select asparagus, 4oz Parma ham, thinly sliced, 1 oz shaved Parmesan, olive oil, salt, black pepper. Basil for garnish.

Snap asparagus near base. Blanch for 2 minutes in boiling, salted water and refresh in iced water. Pat dry and brush with olive oil. Grill on a hot, ridged griddle or under a grill for one minute each side until char marks appear.

Cut asparagus in 3in strips at an angle. Place one tip alongside another, keeping angles running the same way. Add a few shavings of Parmesan and loosely wrap with a thin strip of parma ham leaving asparagus visible on both sides of the ham. Brush with olive oil and garnish with basil.

MINIATURE PIZZAS WITH GOAT'S CHEESE, RED PEPPERS AND CHILLI (makes 24)

Pizza dough: 8oz strong white flour, sifted ½ teaspoon salt, pinch of sugar, ½ sachet instant yeast, 1½ oz extra virgin olive oil, 5-6 oz warm water. Toppings: 3 red peppers, roasted, seeded, peeled and cut into thin strips, 3oz goats cheese, crumbled, 1 red chilli, seeded and thinly sliced, black

pepper and chervil to garnish.

Fingerfood
is often
some of
the most
pleasurable
to prepare

Place dry ingredients in to food processor and turn on at full speed. Add half the oil and half the water until crumbly consistency reached. Add rest of water slowly until dough forms a ball. Keep processing for a few minutes.

Remove dough, reform into a ball and brush with the remaining olive oil. Place in metal container, cover with a cloth and leave to rise for about an hour.

Divide dough into small pieces and roll out as thin as possible until almost translucent. Cut into 3in diameter rounds.

Place on hot tray or pizza stone pre-heated in oven at hottest setting. Allow to bake for two minutes before adding toppings.

Add topping, dribble over a little olive oil, grind some black pepper and bake for about seven minutes or until browned on edges. Garnish with sprig of chervil and serve immediately.

Uncommon Cooks, London SE10. Tel: 091-469 0651, fax 091-692 3555. From £3-£17.

CERVICHE OF SALMON IN SCHNAPPS, EN CROUTE (makes 40)

2lb raw salmon, trimmed, juice and grated peel of two limes, 1 teaspoon grated ginger, 10 oz virgin olive oil, 6 peppercorns, 3 tablespoons schnapps, 1 baguette, butter, dill, chives and crème fraîche.

Slice baguettes thinly and paint with melted herb butter. Bake in oven for 10 minutes turning once. Make a marinade of lime, ginger, olive oil, schnapps and peppercorns.

Slice salmon paper thin and place in marinade for two hours, turning once or twice to "cook" the salmon. Just before service, place a small dollop of of *crème fraîche* on the croute and top with drained pieces of

salmon. Garnish with dill.

ROQUEFORT AND MUSHROOM SPIRALS WITH CHERRY TOMATOES (makes 40)

½lb puff pastry, 1lb mushrooms, 8 shallots, 1 clove garlic, 4 tablespoons olive oil, 12 oz Roquefort, 2 tablespoons poppy seeds, 4oz mascarpone, 20 cherry tomatoes.

Slice cherry tomatoes thinly, drizzle with olive oil and bake in oven 20 minutes. Cool.

Make a *dumetles* with mushrooms, shallots, garlic sweated in olive oil. Cool. Crumble roquefort and half poppy seeds into mixture.

Roll out pastry very thinly. Cut to an even rectangle. Spread rectangle with mushroom mixture leaving a 1in border. Brush border with beaten egg. Roll up long side tightly. Chill for 1 hour. Cut into ½in slices and lay on a baking sheet. Bake for 12 minutes. Cool.

Top with a dollop of mascarpone and several dried cherry tomatoes.

The Moving Venue, London SW11 3TH. Tel: 071-824 2444, fax 071 978-5178. From £3.75-£17.50.

CHICKEN KEBABS WITH TANDOORI, TIKKA AND MINT MARINADES (makes 15)

Two large chicken breasts, sliced into strips, 1 tin creamed coconut, 1 large tub natural yogurt, juice and zest of three limes. Tikka marinade: 1 teaspoon each, ground coriander, cumin, ½ teaspoon cardamom, 2 teaspoons turmeric. Tandoori: 1 teaspoon each ground coriander, cumin, ½ teaspoon each cardamom, fresh crushed ginger and tamarind juice (or marinade) and hot chilli sauce, 2 teaspoons turmeric, 1 clove garlic, crushed, few drops red food colouring.

One bunch mint and one bunch of coriander, both finely chopped.

Mix together yogurt, coconut and lime juice and divide into three. Add spices as above to each portion and mix thoroughly.

Thread chicken onto satay sticks and coat in marinades. Leave overnight to absorb flavours, then grill for 3-5 minutes, before serving.

DEEP FRIED BALLS OF CHICK PEA AND CORIANDER (makes 20-25)

16 oz tin chick peas, drained, half a small onion, finely chopped, 3 cloves garlic, crushed, 1 egg yolk, 1 tablespoon sesame seeds, 1 teaspoon each coriander, cumin and cardamom, 2 teaspoons turmeric, 1 tablespoon chopped fresh coriander.

Puree chick peas in a food processor. Add onion, garlic, egg, spices and seasoning and mix well.

Stir in coriander (if wet, add a little flour).

Flour your hands and take the equivalent of a heaped teaspoon of the mix and roll into balls.

Deep fry for 4-5 minutes until golden. Serve with fresh mint and cucumber raita.

New Quebec Cuisine, London W1. Tel: 071-723 0128, fax 071-724 4581. Fingerfood menus from £3-£20.

MINIATURE SALMON FISHCAKES (makes 15)

1lb poached salmon (cleaned, skinned weight), ½lb peeled Maris Piper potatoes, salt and pepper, freshly ground nutmeg, celery, white wine, diced onions, tarragon, 1 egg yolk, chopped parsley and dill, seasoned breadcrumbs, fish stock. Poach salmon in fish stock with onions, celery, tarragon, white wine, salt and pepper. Cover the fish in the baking pan with foil.

Cook for approx 9-10 minutes, 180°F gas mark 7.

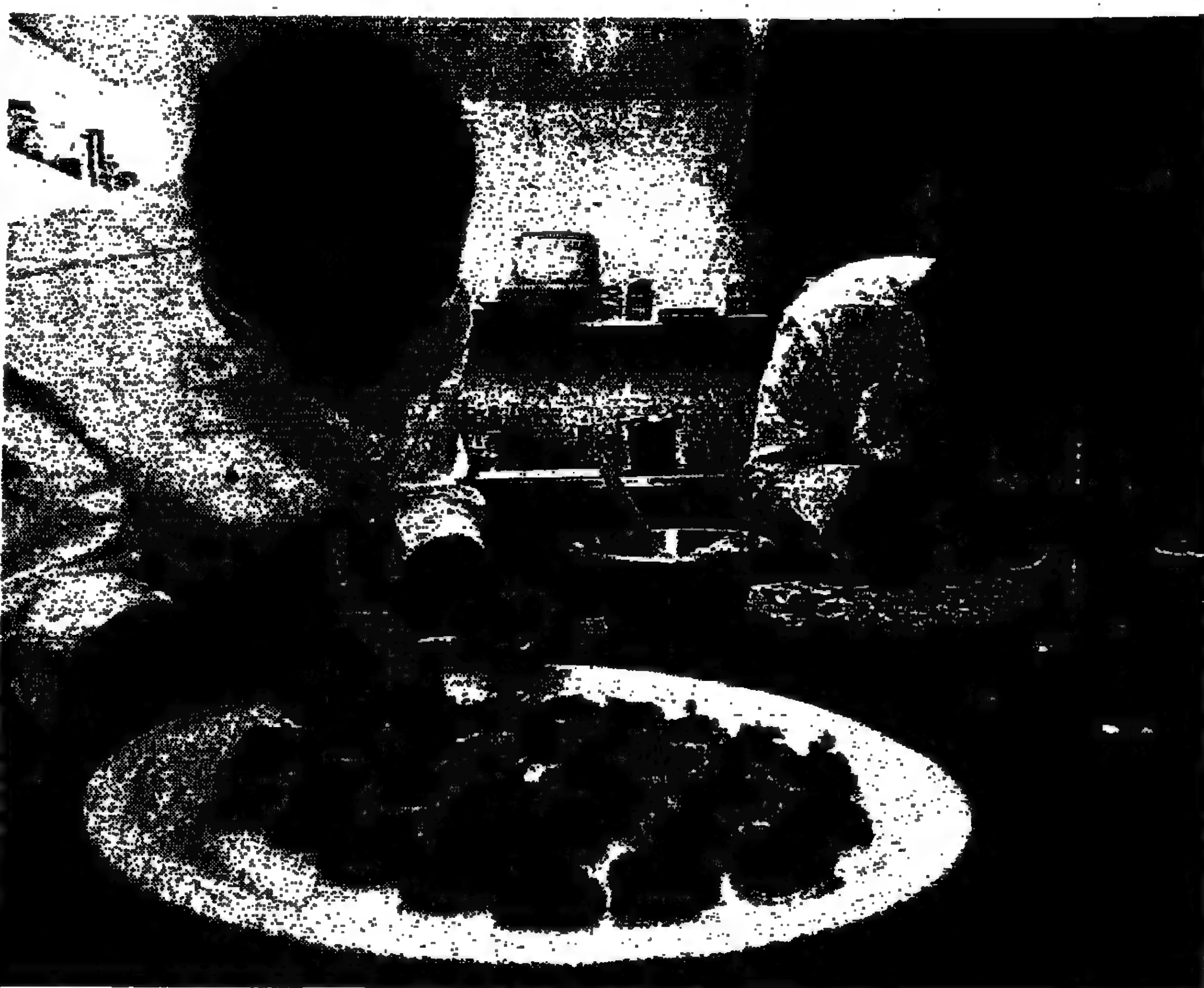
Take out and allow to cool rapidly in stock.

Boil and mash potatoes until smooth. Add salt, pepper and nutmeg. Return potatoes to stove add egg yolk, beat gently and whip for two to three minutes.

Dry excess moisture from salmon. Mash with a fork, extracting bones. Combine salmon and potato, add tablespoon chopped parsley and dill.

Shape into rounds, size of 50p piece but twice as thick and cover in flour, egg and homemade breadcrumbs.

Place on tray in fridge overnight. Deep fry until golden brown. Serve with homemade tartare sauce.



Caterers Mange on the Move preparing canapés at their Chalk Farm, London, premises

The magic

Giles MacDonogh meets a man with

With between 350 and 375 different labels on sale at any given time, Milroy's - in Soho's Greek Street - is London's best address for malt whisky.

It is run by Jack Milroy, a big, hairy, fire-eating Scotman of the old school. Jack comes from Dumfriesshire and his local malt is the lusciously-moth-balled Bladnoch (which he describes as "not a bad spirit"). Jack's brother is Wallace Milroy, one of Britain's greatest authorities on malt and the author of the *Malt Whisky Almanac* (Neil Wilson, £5.95).

About 70 per cent of his customers are dedicated whisky buffs, but many are foreigners lured by the publicity he gets from articles in life-style magazines.

Japanese come directly from the airport and ask for one of everything. Some people like to buy two bottles: one to keep and one to drink, or occasionally a mixed dozen.

I mentioned a colleague of a friend who plays in one of the world's great orchestras. This colleague wants to own a bottle of every malt made because his wife will not let him drink any until he has the whole lot.

"He comes in here," said one of Jack's assistants.

A Japanese woman came in recently with a young girl. She wanted a bottle of 35-year-old Macallan for the girl's wedding: it cost her £5,000. A Latvian bought a bottle of 1988 Macallan for £1,500 and came back for some Royal Lochnagar 60-year-old Reserve at £125. It is good to know that capitalism is making such swift progress in the Baltic states.

One of Jack's best customers is a Brazilian who has more than 2,000 bottles of malt and has built a special wing in his house to accommodate them. But Jack points out that it is not so hard to be a collector once you have bought the basic collection. There are probably no more than a dozen new releases every year.

Jack is not happy with the standard strength of 40 per cent. For this reason, he is not a great fan of Gordon and MacPhail, which distributes the largest range of single malts from its headquarters in Kilmarnock. Pointing to one whisky at around 60 per cent, he declares: "You are getting almost half as much again!" He feels the ideal strength is

Continued next page



مسكرا من الامم

CHRISTMAS FOOD AND DRINK

of Milroy's many malts

a nose for a good dram and enough stock to keep all his customers happy

From previous page

bottling should be around 60 per cent - 43 at the very least but, preferably, 48.

Jack says the process of chill filtering, practised by almost all distillers, takes out some of the whisky's goodness. It is done to prevent a haze developing in the bottle when it is cold - or, indeed, when you add water. "The Japanese and the Americans don't like the haze," he says, although it does not affect the flavour in any way.

I asked Jack to recommend some of his own favourites. He pointed out various bottles: a Morthach 31-year-old, a Pityvaich 12-year-old, a Glenlivet 15-year-old.

He also has a 1985 at £115. Another recommendation is Glenfarchas on Speyside. He is no longer so keen on the 105 (60 per cent) as John Grant has removed the age statement, and prefers the 15-year-old. Another great Speyside is Longmorn: the 15-year-old sells for £24.50. "It doesn't need much water, it's so smooth," Jack enthuses. He has a 1983, too, for £45.

There are also special whiskies from Islay. He thinks Ca-

ria under-valued, especially now that Laphroaig is not, in his view, what it was. "They have polished it right down. It is not as interesting as it used to be."

He has a 1979 from the closed distillery at Fort Ellen (£26) but, not surprisingly, he waxes lyrical over the 18-year-old, cask strength Ardbeg (54 per cent) at £43. The other day, he ate some pepper steaks which had been flambéed in it. "They were sensational."

He has some kind words for the blended whiskies, too. He surprised me when he said the Johnnie Walker Blue Label had its admirers (at £120) and recommended the Islay Mist (it contains a lot of Laphroaig) at £17.50. On the other hand, "Johnnie Walker Black Label is hard to beat". He drinks it in Chinese restaurants when he cannot find any acceptable wine on the list.

We opened a few bottles. A 21-year-old Glen Grant did not please me much: despite all those aromas of honeycomb and heather, it was still rather one dimensional. A Dalwhinnie 16-year-old combined the smell of sherry with something uni-

mal, like a wet sheep. So we moved on to some whiskies Jack is bottling himself.

First was a 16-year-old, 1978 Glenlivet which he will break down to 46 per cent and sell for £25. This will make it better value than the Gordon and MacPhail 15 (40 per cent) at £29. It was a classic Speyside with a lot of rich sherry and toffee tastes - a great, warming dram.

Sensational, however, was Milroy's 29-year-old Springbank (46 per cent) at £38. This might seem a bit steep, but the distillery's 30-year-old sells for £165. There was a lot of honey on the nose and a beautiful, lemony tang. Jack called it "a kiss from a beautiful virgin". He does a lot of business with Springbank.

Although he has no Longrow at present, he has the rare Burnsides, distilled occasionally on a special still. He also sells new casks for £900. The price includes 10 years' free storage and bottling at whatever strength you choose.

Our final whisky was a 15-year-old Lagavulin at £4.6, which sells for £40. It was notably pale, with no sherry treatment and an obvious peat-smoke which had me thinking of log fires and ash-trays.

It is one of Jack's best-sellers. Indeed, he says males over 40 prefer Islay malts because they "sort the men out from the boys". It was a comment that gave me cause for reflection as I staggered out into Greek Street.

■ Milroy's, 3 Greek Street, London W1, tel: 071-437 0833.

□ □ □

This autumn yields three new books by Michael Jackson, the beer and whisky guru. The *Malt Whisky Companion* (Dorling Kindersley, £12.99) is now hanging up to date and includes descriptions (and scores) for the whiskies released this year.

Mitchell Beazley has published his *Cocktail Book* (£9.99), a nicely-illustrated compendium of recipes ideal for use in either a busy bar or the home. The same publisher has reissued the *Pocket Beer Book* in which he reveals his latest discoveries (£5.99).

Meanwhile, there is a new edition of the *Good Beer Guide* on sale. It is published by the Campaign for Real Ale (£9.99) which, among other things, is campaigning to have the level of UK duty on beer reduced drastically to bring it into line with continental Europe.



No wonder he's cheerful Jack Milroy with some of the 350-plus malt whiskies on the shelves of his London shop

Tony Adams

Certain people aren't allowed to fly together. Royalty, the Cabinet and the blenders at Moët & Chandon.



Continuing a tradition begun in 1743, Philippe Goujon and his colleagues blend more than two hundred different wines to produce the distinctive Moët & Chandon cuvée. So you'll often find them together in our tasting rooms, just never in the departure lounge.



Pick your guiding light

Nicholas Lander navigates his way around the 1995 restaurant guides

One restaurant guide describes it as "relying too much on its reputation"; another as "guaranteeing a sense of occasion"; a third calls it "legendary"; and a fourth, after rating it 1 out of a possible 5, says it is "unable to confirm details because the restaurant did not reply to its questionnaire. A fifth guide does not include it because, after a critical review, the restaurateur wrote asking the reviewer never to darken his doors again.

Which well-known London restaurant is being referred to? The answer is Langan's of Mayfair. The five reviews of the same place illustrate not just how subjective reviewing is, but what different principles the five food guides in question - *Harden's Time Out*, *Egon Ronay*, *The Good Food Guide* and *The Evening Standard* - take.

The biggest problem their editors face is the enormous growth in the number of restaurants in Britain. At the same time there is a numerical gulf between the number of restaurants within London and outside.

This makes producing a guide which does not include the capital's restaurants a difficult commercial proposition - unlike America where the initial *Zagat Guide to New York* spawned guides to almost all the other major American cities.

There is no doubt that demand for good eating exists throughout the UK - one wine merchant told me that Leeds restaurant, Leeds (0532-421010) served 278 customers on a recent Saturday night, a figure most West End restaurants would envy.

But there are not that many restaurants in Leeds. Five are listed in the *Good Food Guide* and 14 in *Egon Ronay*.

Yet, confined to London, the number of restaurants under consideration is vast. The *Time Out Guide* is the most comprehensive with 1,222 entries.

It contains some enticing photos of chefs, waiters and customers and has the most quirky approach to what London has to offer: restaurants are listed by national cuisine then, suddenly, there is a chapter on "fish restaurants" followed by another on "hotels and home cuisine".

Unfortunately, the guide's A4 size makes it unwieldy. To get the best out of it, you must sit down at home and plan your excursions.

As *Harden's Guide* (700 entries) already quotes me on its back cover I must be brief. However, the fact that two brothers have, by themselves, managed to produce the least expensive guide is a tribute to their business acumen and judgment.

Particularly useful over the past year has been a companion volume, *Harden's London Party Guide* (£8.95) which lists venues for hire from the 19th century Old Operating Theatre Museum and Herb Garret, in

sponsored awards including "Kitchen of the Year", underwritten by a company of environmental hygiene specialists.

The *Good Food Guide* is the most idiosyncratic with awards made to restaurants for being "East Sussex Flavour", "Humbly Grove" and "Leicester All Day Restaurant" of the year.

Jim Ainsworth, a former restaurateur, is its editor and is one of the wisest of food and wine writers. He has injected a sense of humour and warmth which makes this guide a very good read.

There is no doubting the usefulness of the *Egon Ronay Guide*, with more than 3,000 entries it is both clear and comprehensive. However, there is an editorial tendency to praise every entry so that guide's opinions should be best kept in perspective.

From a consumer's point of view the most useful guide would be a mongrel combining the breadth of *Egon Ronay*, the enthusiasm of *Time Out*, the wit and experience of Jim Ainsworth and Fay Maschler respectively, and the business acumen of the *Hardens*.

■ *The Time Out Eating & Drinking Guide* 1995, £7.50, 242 pages; *Harden's London Restaurants* 1995, £6.95, 300 pages; *Evening Standard London Restaurant Guide* 1995, Pavilion, £9.99, 224 pages; *The Good Food Guide* 1995, Which?, £14.99, 740 pages; *The Egon Ronay Cellar Guide* 1995, Macmillan, £14.99, 1,376 pages.

FOOD AND DRINK

Wine

Where have all the cheap whites gone?

Jancis Robinson finds out – and selects some more plums from merchants and supermarkets for festive drinking

I could name any number of good, interesting, cheap red wines. There is Kwik Save's *Steep Ridge Grenache Shiraz* 1993, £2.49 – a Vin de Pays d'Oc from southern France trying desperately to look like an Australian but tastes very southern Rhône with its frank, full, vigorous fruit, all sweet and spicy. Or Safeway's special Christmas offer of a perfectly sound Minervois at just £2.15, for example.

There's also Debut Bulgarian Cabernet, £2.99 at Victoria Wine, a hi-tech wine made from low temperature fermentation to produce a very clean, correct, if slightly dull wine aimed at those who find other Bulgarians just too ethnic.

Victoria Wine also has the deep crimson, fruity, smooth and equally modern *Puerta de la Villa Canebl Valdepeñas* 1993 at £2.99 which would also make a perfectly acceptable house wine for all but the grandest parties this Christmas.

But where are all the interesting, cheap whites? I can quite see why wineries have to charge a bit more in the first few years of modern white wine production, to pay for the necessary gentle presses and temperature control, but is that era not behind us?

Only South Africa seems to want passionately to play in the white-wine-under-£3 paddock (as witness several aggressive special offers), and is exporting oceans of technically correct, crisp dry white, much of it made from Colombard. Supermarkets can offer the best deals here.

Eastern Europe is also doing its best (despite presumably having made some fairly recent investments in plant) and Safeway's special Christmas white at £2.15 is a clean, full-bodied Hungarian Chardonnay. But, while cheap South African white may lack character, some eastern European cheap white may have too much. Grapy flavours abound, which is not every-one's bowl of goulash.

Perhaps it makes sense simply to swallow hard and pay a bit more for white wine with

some real character, such as many of the appetising lemon-fresh, barrel-fermented Chardonnays from the new appellation of Limoux in the hills west of Corbières in south-west France.

Jean-Louis Denois is one of the area's most passionate exponents, particularly proud of his *Domaine de l'Aigle*, at Roquefort high in the east.

New Zealand Chardonnays demonstrate a mastery of burgundian techniques

ern Pyrenean foothills. His *Cuvée Classique* 1993 is delicate, yet as fiercely concentrated as its maker. Tanners, of Shrewsbury Shropshire, sells it for about £7 a bottle.

Rather similar in style is another relatively high altitude Chardonnay given de luxe oak treatment, *Shaw & Smith Reserve Chardonnay* 1993, £10.99 at Winesellers, of London SW18 et al. The high country around Adelaide in South Australia is responsible in this case. Here is a wine to define that strange term "elegant mouth feel" for what top-quality barrel fermentation does to a good white. This serious wine should continue to improve in bottle for at least two years.

And it is heartening to see New Zealand Chardonnays also demonstrating mastery of traditional burgundian techniques, most notably with the recent release of two single vineyard bottlings from Montana, the giant of this small industry. Ormond and the rather more austere Benwick are both £10.99 chez Oddbins and others and are cleverly labelled and named after particularly promising sites in Marlborough.

But these are wines to be drunk with food. For a house white that will serve either as aperitif or all-purpose lubricant, a gentler, more aromatic

wine is needed. Riesling is the perfect candidate, and Dr Loosen Riesling either 1993 or 1998 is an excellent lively, off dry example costing about £6 at Thresher, Adnams of Southwold, Suffolk, and many other outlets.

Oddbins has a particularly inspiring selection of German wines, notably from that hotbed of winemaking talent, the Pfalz region in south-west Germany. The wines of Kurt Durling, Fuhmann Eymed (Pfalz), Lingenfelder, Müller-Catoir are racy, concentrated and extremely versatile. Both the open 1992s and the denser 1993s are tasting delicious at the moment.

Those who just won't give Riesling a chance had better try Pinot Blanc 1993 Marcel Deiss, about £7.45 from Les & Sandeman, of London SW10 and Adnams of Southwold. This scented, pure Alsace white would make a house wine extraordinary, with more zest and undertone than the average Pinot Blanc (although in general Alsace's Pinot Blancs are the region's best value wines).

House reds should probably be relatively snappy, sappy

British retailers are anxious to remind their customers of Bordeaux's digestible reds

and not too heavy. Great Plain Kelchankos 1993, £3.45 Safeway, is beguilingly lively with lots of fruit and an aroma that attracts those of us with a penchant for this Danubian answer to cru Beaujolais.

Sainsbury's Terroir de Rotational £2.95, made by Australian Geoff Merrill, is another example of this inky style of red that is probably flattered by being served very slightly cool.

Bordeaux may make many a keenly-priced Sauvignon/Semillon white, but its reds are rarely suitable for drinking without food. Nevertheless

there is keen activity in the red Bordeaux market and several British retailers are anxious to remind their customers of Bordeaux's particularly digestible red wines so suitable for the table.

Thresher/Bottoms Up/Wine Rack has some keen selections currently, and Safeway has lopped £3 off the price of its better claret such as Chateau de Beaulieu 1992, £12.45 down to £10.45. Wines from this vintage have to be chosen with care, but this one, always sensibly priced, is well-judged and could already be drunk with great pleasure.

More red wines too powerful or tannic for sipping without food include the big, oaky *Cosme Palacio 1996 Rioja* £4.99, Safeway and Oddbins, as lush and full bodied as Michel Rolland's more usual output in Pomerol.

Those coming unlikely branches of Victoria Wine and Safeway may still find bottles of La Cuvée Mythique 1991 at about £5.50. This herby red is one of the most interesting bottlings of Val d'Orbière, the Langue-doc's largest growers association, being an oak-aged blend of some of their most powerful Vins de Pays.

There is just as much character, though of a very different kind, in Laytons of London NW1's *Barbera del Monferrato* 1986 at £6.75. This is poor man's Barolo and none the worse for it. This intensely spicy Barbera fruit comes from Carlo Cassinis' particularly mature Vigne del Sole vineyard which is vinified separately only in the best vintages. Four years in large oak casks and two in bottle have resulted in a delightfully recognisable, yet accessible tangy Piedmontese red.

And finally, an Australian classic (yes, it already exists), Penfolds Coonawarra Cabernet Sauvignon 1990 or 1991, widely stocked at £7.99. This much-decorated wine has an amazing colour and carries its weight well. Wynns Coonawarra Cabernet Sauvignon 1991, £7.49 Oddbins, is no slouch either, and would also make a thoroughly enjoyable Christmas bottle.



Schlossed in Erbach

Autumn and winter are the best times to appreciate German food. Germans are partial to game and wild mushrooms, and they enjoy the pre-text afforded by a religious feast day to gorge themselves. As often as not these festivals take the form of week-long blow-outs around a particular theme: strawberries, asparagus and chanterelles in the spring and summer; cap, game and goose in the autumn.

After two days of hectic shuttling up and down the Lower Rhine I felt in need of a little German *Gemütlichkeit*. My thoughts turned to the Rheingau, home to the vines which make Germany's noblest wines. I took the train to Eltville at the area's eastern end, a small town filled with a jumble of half-timbered houses and an old fortress overlooking a wide stretch of the great river.

A refreshing provincialism was apparent from the first. In the local *Konditorei* a middle-aged German noblewoman was showing the staff the fruits of a shopping expedition to Wiesbaden. With each new revelation the old women clapped their hands with joy.

Posters informed me that I had arrived in time for the *Schloßfest*: the most dangerous moment in the life of a German pig. Not that the swine looked unhappy in the drawings: they were depicted running gamely off to the slaughter, altruistically disposed to yield up their all in the form of sausages, bacon,

ham and roasting meat for the cold months ahead. But I did not go to the *Schloßfest*. I went to Schloss Reinhartshausen instead.

Schloss Reinhartshausen was once a royal residence. It was purchased by Princess Marianne of Holland in 1850 after her divorce from Prince Albrecht of Prussia, brother of the first German Kaiser.

Albrecht's sexual misdemeanours forced him to quit his native land and live in Saxony where he built the ravishing Schloss Albrechtsberg on the Elbe near Dresden. The Schloss remained in Hohenzollern hands until a few years ago when Albrecht and Marianne's descendants sold it to a property company. The Hohenzollerns retained only a third part of the prestigious vineyards around the Schloss in Erbach.

The new owners turned Schloss Reinhartshausen into a luxury hotel. The changes were not always for the best. In spite of the loan of Hohenzollern pictures and the profusion of Biedermeier furniture, the mixture of old and new is uncomfortable in most of the main rooms.

A clumsy verandah has been built on to the side of the building looking out over the Rhine. Everywhere there appears a lack of love and sympathy for the spirit of the house.

Schloss Reinhartshausen has two restaurants: the informal Schloss-keller and the rather grand Marcobrunn. I ate in the

Marcobrunn; one of the few rooms to emerge unscathed from the conversion.

The wine list was a hefty volume containing the names of the world's best wines as well as those from the Rheingau and the Schloss itself. Drinking Schloss Reinhartshausen had its advantages: a lot of wines could be ordered by the glass. This was particularly useful when it came to ordering a sweet Auslese with dessert.

The Marcobrunn's French chef was clearly tilting at his

dished up with red cabbage and *Schmaphudele* (long, thin dumplings).

It was an exciting concept, but it would have been a good deal more exciting if the bird had been hung for a day or three.

The puddings were good: a fig strudel with coriander; an apple terrine wrapped in *Baumkuchen*, that legendary German dessert which is so complicated to make that it is rarely encountered these days – so much so that the only time I have eaten authentic *Baumkuchen* was in a German restaurant in Madrid.

The Marcobrunn restaurant is good, but it needs to do something about the occasional moments of blandness. It was certainly new wave cooking of the sort now available all over the better-heeled parts of west Germany. The next day, however, was St Martin's, and the moment for proper *Gemütlichkeit* had come.

I went into an unpretentious restaurant in Eltville and ordered cap soup and a goose leg; the largest goose leg I have ever seen, sitting on a huge pile of red cabbage. This was a homely sort of dish: the sort of thing the Germans do best.

■ Marcobrunn restaurant in Schloss Reinhartshausen, Erbach im Rheingau, 65346 Eltville, Germany. Tel: 061-93 6760. Fax: 061-23 67 64 00. A la carte £25 a head with wine. Rooms DM340 (£142) to DM500.

Giles MacDonogh

Everywhere there appears a lack of love and sympathy for the spirit of the house

first star in the Michelin Guide: it was an ambitious menu. An *amuse bouche* of some sweetbread, a little avocado mousse, some quail mousse and some sliced, waxy potatoes was followed by equally elaborate first courses: quail breasts with *foie gras* on a bed of green beans and mushrooms, sander and crayfish in rice pastry on a bed of chanterelles.

Another ambitious dish was a partridge in three services. First came the breasts on a stock reduction with salsify; then liver in a game consommé; finally the legs were

Appetisers

Elena's role

Exceptional restaurant managers Elena Selvon has taken on a new challenge in the hectic period leading up to Christmas and the new year.

At the age of 74, she emerges as the *maitresse d'* of the former L'Etoile restaurant, 30 Charlotte Street, W1 (071-636 1496) – henceforth to be known as Elena's L'Etoile.

This is a marriage of restaurant history. L'Etoile opened in 1904 and has maintained its original, charming feel.

Elena began as a waitress in Soho in the early 1930s, spent the war years serving at the Café Elou and completed 30

years at Bianchi's before spending the 1960s at L'Escargot, where I worked alongside her. Her life is chronicled in her book *A Life in Soho*, published by Quartet Books.

Nicholas Lander

■ Meanwhile, at the Elits, London W1 (071-498 8181), Emmanuel Menjuzan, aged 28, becomes restaurant manager. Menjuzan trained at Talence

Catering School near Bordeaux, and took "stages" at the Savoy and the London Hilton. He was *maitre d'hôtel* on the French aircraft carriers *Clemenceau* and *Foch*, while completing his military service. His most recent success has been as restaurant manager of Les Saveurs in Mayfair (071-491 8619).

■ For the past 20 years the

Anchor Brewing Company in San Francisco has made a special Christmas Ale. It is brewed with added spices at between 5 per cent and 6 per cent alcohol to make a dark, pungent beer.

It keeps too. I found a bottle of the 1990 stashed away and tried it alongside the 1994. There was a decent head on the beer and four years in the bottle had given it a sweet, marmalade-like character.

It is available from the Beer Shop, 8 Fitchfield Street, London N1 (071-739 3701). For other outlets ring Anchor Brewing on 081-977 0261. The price is about £2 a bottle.

Giles MacDonogh

WINE MERCHANT OF THE YEAR 1993 & 1994

FREE HEINEKEN EXPORTS.

(THAT WILL IMPRESS EVEN SMOOTH TALKING BAR STEWARDS.)



SPECIAL PRICE ONLY £10.99. While stocks last.

The offer runs until 1.1.95 and is subject to availability or while stocks last. This offer cannot be used in conjunction with any other offer. No other discounts apply. Available in UK restaurants only, aged 18 and over.

سكزا من الاصل

FOOD AND DRINK FROM ITALY

Pigs, pasta and cheese

Philippa Davenport visits the belly of Italy, Emilia-Romagna

Emilia-Romagna is a food lover's paradise. It is the belly of Italy, where rich alluvial soil yields some of Italy's finest ingredients and the cooks of the region, drawing on a historical mix of court grandeur and farm kitchen simplicity, produce exquisite recipes.

Orchard fruits and soft wheat flourish here. So do all manner of vegetables and fungi. The area is famed for its egg-yolk yellow pasta, richly

Bologna is the greedy capital and contains the old university. Its nickname is 'the fat and the learned'

sanced or lavishly stuffed, and for balsamic vinegar, one of the most fashionable flavourings of our times. Above all else, this is the land of the pig and Parmigiano-Reggiano cheese.

Do not think, though, that Emilia-Romagna is famous only for its food. There are romantic cathedrals, medieval abbeys, Byzantine basilicas, the ceramics of Faenza, the mosaics of Ravenna and paintings by Correggio. It is also the home of Ferrari, Maserati and Lamborghini cars.

Bologna is the greedy capital and contains the oldest university in Europe, hence its nickname 'the fat and the learned'.

It is a city of joyfully noisy, hotly competitive gourmandises – a legacy probably derived from medieval times when the rich demonstrated their power by giving gargantuan feasts and constructing towers bigger and better than those of rival families.

Paolo Atti, near the basilica of San Petronio, is never without a queue for its crusty leaves made half-and-half with wheat and maize, its heavy-weight cakes that appear to be composed almost entirely of glistening glazed fruits and nuts, and its pastas.

Huge and delectable tortelloni are stuffed with fresh artichokes or pumpkin. Little tortellini are stuffed with a mixture of fresh pork, chicken, mortadella, Parma ham, eggs and Parmesan, dextrously folded and twisted into rings (the shape was supposedly inspired by the navel of Venus). Served in a rich broth with globules of fat floating on the surface, or sauced with scalded cream, they epitomise the sumptuous glory of Bolognese cooking.

Prize items in the herb and vegetable market on the morning I was there were porcini, brought in fresh from the woods. Their sight and smell drew crowds, and even those who did not buy relished watching others make their selection from the three grades on offer.

For a late-night supper that evening at the Ristorante Diana in the via dell'Indipendenza, I succumbed to a potato, porcini and Parmesan gratin finished with a grating of truffle – not one helping but two. Elsewhere in the market there were chickens split to reveal the unlit eggs inside them (it is their deep golden corn-fed yolks that give the local pasta its rich colour). Strings of little cacciatori salamis, suspended in rows, swung like bead curtains – dwarfed by mortadella sausages, some as big as punch-bags at the gym.

Mortadella is a cooked sausage of ancient pedigree, a smooth foreman of high quality pork stuffed with fat and spices, so beloved of its creators that it is sometimes simply known as Bologna sausage – which British travellers of earlier centuries called baloney.



We began with generous plates of local pork meats. There was excellent Felino salami, coppa, cotichino, delicate spalla and prosciutto di Parma

Tessa Traeger

Where Parma ham is king

Parma is home of the sweetest nosegay of spring, and this city, like its violets, is small, elegant and charming. I was captivated, on leaving the cathedral, to witness the unveiling of the baptistry after its cleaning. Workmen shouted and tugged. Plastic and tarpaulin shrouds draped over the scaffolding fell away gradually and the beautiful building emerged like a wet-winged butterfly from its chrysalis.

Like Bologna and Modena, Parma was governed for generations by local nobility but the foods of Parma seem more sophisticated than those of Bologna and Modena – the pasta is more delicate, the pork products are more restrained.

This may be due in part to long years of government by the Parmese family and to the subsequent influence of Maria-Luigia, Duchess of Parma. The duchess (daughter of Francis I, Emperor of Austria, and second wife of Napoleon) employed two French chefs from her days as Empress of France, as well as an Italian chef and pastry cook from her native Vienna. These last introduced yeast pastry confections to Parma – lighter and more refined than Austrian pastries. Café Torino in the centre of Parma is famous for them.

Parmesan cheese – more specifically called Parmigiano-Reggiano to distinguish it from others in the same family – is one of the world's great cheeses. The real McCoy has the words 'Parmigiano-Reggiano' printed all over the sides and a stencil giving the date of making and the maker's code to prove its excellent provenance.

Cheeses that fail their exams (and Parmigiano-Reggiano is rigorously tested at various stages during production) have the proud legend 'Parmigiano-Reggiano' cancelled by ignominious Xs.

Parmigiano is famed as a grating cheese, especially for dressing pasta, but increasingly I enjoy it as a table cheese – the less elaborate the context, the better it shows off its flavour. Shaved into flaky curls with a swivel-bladed potato peeler, it sets the gastric juices flowing as a first course salad, scattered over water-thin slices of bulb fennel dressed with olive oil and lemon. I also love it served at the end of dinner with quartered juicy pears. Or on its own instead of *cassoe-pasculas* with pre-dinner drinks.

Emilians insist the king of cheeses should never be sliced. So cut, dig, chip or hack it into craggy wedges instead, using a purpose-made Parmesan knife (a bit like an oyster knife without the guard) that encourages the cheese to break into jagged splinters following the natural seams.

The pig (which grows fat on whey left in the vat after cheesemaking) reigns supreme in the duchy of Parma. A notable feature of pork products here is how few extras they include. A little salt, some pepper maybe, but rarely more as the meat of local pigs has, by tradition, so much character of its own.

The breezy hills around Langhirano are an ideal place for curing Parma ham

Spalla, or shoulder, can make succulent, sweet, cooked ham but uncooked, cured meats are generally preferred. From Felino, just south of Parma, comes Felino salami, one of the most pleasing. The best coppa (a meaty muscle of neck fillet) is made near Piacenza.

The marshlands of the Po valley north of Parma are home to exquisite *culatello*, made from the best part of the buttock. A rarer treat than Parma ham, it is whispered about and so

highly prized by local cognoscenti that you are unlikely to find it outside the duchy.

But Parma ham is king. DOC-controlled, each leg is branded with the five-point ducal crown of Parma and bears a seal stating the place and date of making so it can be traced right back to the farmer who raised the pig and the man who salted it. Like the individual identification of each and every Parmigiano-Reggiano cheese, this shows proper pride in food production.

The breezy hills round Langhirano, south of Parma, provide the ideal environment for curing Parma ham (the very opposite of the foggy stillness on which *culatello* production depends). The carefully selected legs, lightly massaged with salt, rinsed and partially smeared with lard, are hung for 10 to 12 months in wonderfully odiferous aging rooms, slatted or fully ventilated depending on the weather. The result is raw ham of elegant and distinctive savour, finely textured with pale finger-pink lean and a good ratio of fat. It falls slickly from the knife when carved.

Outside Langhirano – in the shadow of Torrechiara, a 15th-century fortress – lies the Ristorante Gardoni. I was taken there for lunch after a morning watching and learning about the making of Parmigiano and Parma

ham. A modest establishment, a splendid meal.

We began with generous plates of local pork meats. There was excellent Felino salami; coppa; cotichino; smooth-grained and delicate spalla cooked on the premises; *prosciutto di Parma* of roseate hue in silvers as fine as a magician's handkerchief, the very best I have ever eaten; *culatello*, 'the noblest cut of all', softer textured, darker and more mellow than the Parma ham. For crunchy contrast there were *ciccioli* (pork scratchings) still hot from frying to draw the lard out of them. And glasses of chilled Malvasia Frizzante.

Then came *tortelli alle erbe*, a dish of fennel and Parma's pasta specialty: pockets of egg pasta filled with *ricotta* and spinach (variations call for spinach beet or chard) lightly seasoned with nutmeg, the whole dusted with Parmesan cheese and dribbled with melted butter.

I am afraid I cannot recall what came next. Maybe I skipped a course having feasted so well on the first two. But I remember cakes were served with a very sweet, elderflower Malvasia Dolce for dessert. Finally, we sipped green walnut liqueur, another local speciality. Then it was high time for a siesta.

P.D.

The elixir of Modena

'In an attic holy of holies, the full-blooded aroma revived me'

Modena, less than 40km north-west of Bologna, is extraordinarily rich. The personal wealth of its inhabitants has earned it the sobriquet 'mink city'. This is Luciano Pavarotti's home town. The Ferrari factory is nearby. The place flares with fashion shops, tottering high heels, *couture* and indeed with fur coats. But Modena is also a university town and the coffee bars buzz as much with animated student discussion as with society chatter.

Some streets are colonnaded, there are little squares and spacious squares, peaceful gardens and an 11th-century cathedral of great beauty.

Gastronomically, Modena exhibits signs of gutsy extravagance. Favourite local specialties include two of Emilia's richest and stickiest pork products – *cotechino*, a boiling sausage laced with gelatinous pork rind, and *sampone*, stuffed pigs' trotters. Both make wonderful winter warmers served with pulses and maybe a *salsiccia* sauce flavoured with that other great

local creation – balsamic vinegar.

Real balsamic vinegar is labelled *tradicionale* to distinguish it from the offerings of commerce, which can only hint at the remarkable character of the real thing.

It may be 70 years old and will probably have lost two-thirds of its volume in the making. Made from the cooked must of sweet Trebbiano grapes, mixed with strong wine vinegar, it is aged at length in attics where hot summers evaporate it and cold winters help to clarify it, using a succession of barrels made from different woods for subtle extra fragrance.

High in an attic holy of holies, the full-blooded aroma of it revived me from climbing the stairs. The texture was as heavy as molasses. The complex, velvety, sweet-sour taste exploded in my mouth, filled it and lingered dramatically. Just one whiff, just one lick of a drop laid on my forefinger made me understand what all the fuss is about and why one might be asked to pay up to \$60 for a small phial of it.

P.D.

SCOTLAND'S FINEST SMOKED SALMON
NOW IN THE U.S.
Mackenzie's premium
Smoked Scottish Salmon
delivered within 48 hours
to any address in the U.S.
Ideal gifts for the holidays.
1lb Side \$34.95 • 2lb Side \$64.95
6-4oz oz packs \$54.95
(plus \$4.95 shipping per pack)
Mail, fax or phone your order giving both
your own and the recipient's full name and
address, how to be delivered, gift message,
and payment by check (in U.S.) or credit
card number and expiration date.
(Business/Account Only)
Mackenzie Ltd., 2000 Westington Ave.,
Baltimore, MD, 21225.
Tel/Fax 1-800-450-7700 or 410-644-7770.
In UK 01444-0625; or in the UK 24 Ramsey
Gordon, Edinburgh, EH1 2NA.
Fax 010-225-6207.

Louis Latour
Wine Tasting Today,
Saturday 10th December
at
Zachys
206 Havenstock Hill
London NW3
Tel: 071 431 4432

CLARETS AND VINTAGE PORTS WANTED
We will pay auction house prices.
Please send us details.
Patrick Wilkinson 071-267 1945
or Fax: 071 264 2785
WILKINSON VINTNERS LIMITED
Fine Wine Merchants
Convent Road London NW3 2LN



Italy is famous for its cheeses, none more so than the strictly-controlled Parmesan

Tessa Traeger

FENNEL WITH PROSCIUTTO AND PARMIGIANO

(serves 4 as a first course or 6 as a vegetable)

For years we have enjoyed Parma ham simply wrapped round *grissini* bread sticks or as an appetising partner for ripe melon, figs, peaches or pears.

More adventurous cooks have also begun to use Parma ham as the Emilians do, sometimes slipping it into pasta fillings, wrapping it around veal or chicken to give those meats a little lift, or employing it – as one might use bacon but to more subtle effect – in vegetable cookery, especially with peas, beans, lettuce, fennel and celery.

Here is a recipe to remember for Christmas as it goes well with cold roast poultry, pork and veal.
1½lb Florentine fennel; 1oz unsalted butter; 1 tablespoon olive oil; 2oz prosciutto di Parma, cut into snippets; 1-1½oz Parmigiano-Reggiano

cheese, freshly grated; 1½oz coarse, slightly stale bread-crumbs.

Trim the fennel, reserving the feathery fronds, and cut the bulbs into thin wedges. Sauté them for five minutes in two-thirds of the butter mixed with the oil. Reduce the heat, cover and steam-fry for 10 minutes, stirring occasionally, until golden and well cooked through.

Rub one hot grain dish (or four *ouf sur le plat* dishes) with butter paper. Put the fennel into the dish(es), sprinkling the chopped fennel fronds, black pepper (but no salt), all of the ham and most of the cheese between layers. End with a layer of fennel.

Melt the rest of the butter in the sauté pan. Away from the heat, stir in the crumbs to sop up the fat. Add the rest of the grated cheese to the crumbs and sprinkle the mixture over the fennel. Grill until golden.

A Unique Investment Opportunity MALT WHISKY OFFER

A unique opportunity to acquire a cask of the world's finest pure Malt Whisky at opening prices from the SPRINGBANK DISTILLERY.

The offer consists of one cask (256 litres) of New Fillings for £950 under bond, which includes the cask and 10 years storage and insurance – less than £4 per bottle.

For further details please contact Mark Rogers at La Réserve
Tel: 0171 589 2020 or Fax: 0171 581 0250

FOOD AND DRINK

PASTA SAUCES

Here are two classic pasta sauces - tomato sauce and Bolognese sauce - which you can make from the same basic recipe. Serve them with 340g (12 oz) pasta for four people. Make the sauce first and cook the pasta last when you are ready to eat.

You will need (for 4 servings)



Tomato sauce

1 Chop the onion, carrot, and celery finely. Peel and crush the garlic. Heat the oil in the pan, then add the vegetables.

2 Cook the vegetables gently for about 5 minutes, until soft. Add the tomatoes, tomato purée, and water and stir.

3 Let the sauce simmer for about 45 minutes, stirring it from time to time. Taste it, and add salt and pepper if needed.

Cook's tools



Bolognese sauce

1 Chop the vegetables and onion. Heat the oil in the pan and cook the vegetables for about 5 minutes.



2 Add the minced meat and chopped onion. Cook until the meat has browned, stirring all the time.



3 Stir in the tinned tomatoes and tomato purée. Heat the sauce up, then let it simmer gently for 45 minutes.

Saucy meals

Different sauces suit different types of pasta. Bolognese sauce goes best with long pasta like spaghetti or tagliatelle. Delicately flavoured tomato sauce, however, is best with small, chunky pasta. Sprinkle with Parmesan cheese for extra flavour.

PASTA WITH BOLOGNESE SAUCE

Sprinkle with Parmesan cheese

PASTA WITH TOMATO SAUCE

This saucy pasta is known as "bolognese" in Italy.

The "Children's Step-by-Step Cook Book" by Angela Wilson (Dorling Kindersley, £9.95) is one of a splendidly produced series. It is a realistic guide to what children can achieve in the kitchen, not least because Wilson tests all her recipes on her own youngsters. From simple snacks to main course meals this should provide worthwhile fun and instruction to budding cooks.

Culinary kids

Cordon bleu for children

My most enjoyable gastronomic experiences recently have not been in a renowned dining room or even in a newly-discovered eatery. Instead, they have taken place at Saturday lunchtime around the kitchen table at home, when one of our children has returned from a morning spent at Les Petits Cordons Bleus, the Saturday culinary workshop for children aged 9-14.

Our son, William, in his splattered apron and a small chef's hat, brings home two plastic containers with our lunch: mussels in a cream sauce; a delicate fish stew cooked with herbs in a court bouillon; chicken leg, sauce

strawberry cheesecake for our tea. These courses began in Paris three years ago and proved so successful that they were adopted by the London branch of Le Cordon Bleu last year. Each session lasts from 10am to 12.30pm and costs £25. This covers teaching, ingredients - and, effectively, provides lunch for parents. ■ Le Cordon Bleu, 114 Marylebone Lane, London W1M 6EH. Tel: 071-935 3503; fax: 071-935 7621. Nick Lander

Vintage Champagne

Sparkling with extra class

Giles MacDonogh sips some special cuvées

The Krug brothers used to say that they preferred their (admittedly rather special) Grande Cuvée to their vintage wines. After all, while God makes vintage champagne, only a highly talented mortal can make wines as great as the Krug Grande Cuvée.

Vintages are not declared every year, for the very simple reason that God is not always that kind to champagne growers. There are miserable years in this northernmost outpost of French viticulture when the grapes scarcely ripen.

To make drinkable champagne in years such as these, you need to add reserve wines from other years to achieve the weight and balance required of champagne.

The 1980s, however, proved to be a champagne-maker's dream decade. All the major houses declared vintages in 1982, '83, '85, '86, '88, '89 and '90 and some declared other years, too. During the economic boom times, the wines walked off the shelves with such indecent speed that they were often a little on the raw side - or "green" to use the technical term.

The quality of the decade and the recession, however, have had one beneficial effect: stocks are high, and the wines released these days have a touch more maturity than many of those sloshed back in the days of *enrichissez-vous* and Margaret Thatcher. Most of the top champagnes (or grandes marques) are now released when they are five years old.

Champagne is a blend of three grape varieties: Pinot Meunier, Pinot Noir and Chardonnay. Pinot Meunier does not generally figure in vintage champagne, as it is not considered able to age with dignity. And although there are some fabulously rich Chardonnay vintage champagnes, it is the black Pinot Noir which gives the body to most of the great vintage wines.

A young vintage champagne often has a bouquet of fresh fruit: crushed raspberries or strawberries. As it gets older, an increasingly toasty, nutty character creeps in. When it is really old, it sometimes smells a little of old rose petals in a pot-pourri.

English people are supposed to like the taste of really old champagne, and I have heard it said that a vintage should not be broached before it is 10 years old. A really ripe vintage of this sort, such as an '83, would be perfect now. On the other hand, such wines are hard to find.

Many people open a bottle of champagne at Christmas, either around the tree while



the presents are being unwrapped or at the lunch table later. In general, non-vintage cuvées are fine without food; they have an aperitif effect as the sharpness of the acidity begins to stir the stomach juices.

A mature vintage champagne, on the other hand, goes very well with the first course of a Christmas meal - either with oysters, smoked salmon or - in the case of the richer, older wines - foie gras.

The FT tasted 22 vintage champagnes available in the shops this Christmas. The following are recommended.

■ 1980. Dents - a firm which has specialised in champagne for buying down in the past. This would benefit from a few years more in the bottle. £21.05 from Laytons or Andre Simon shops (071-587 2552).

■ 1988. Most of these would profit from a little more time to mellow the wines.

■ 1989. Dents - a firm which has specialised in champagne for buying down in the past. This would benefit from a few years more in the bottle. £21.05 from Laytons or Andre Simon shops (071-587 2552).

■ 1988. This is the first vintage to be properly ready this Christmas, although there is certainly no hurry to drink up. Laurent Perrier - superb champagne with a lovely lemon peel tang. £23 to £27 from Oddbins, Lay and Wheeler (01204-78444) or E.N. Booth (01772-244316).

■ 1989. A lovely champagne with a bouquet of hazelnuts, but it needs more time. £19.05 from Cellar 5.

■ 1988. A lovely champagne with a bouquet of hazelnuts, but it needs more time. £19.05 from Cellar 5.

and white truffles. It is very much a food wine and would be delicious with foie gras. £19.75 from Silbendum (071-722 5377).

■ 1986. Veuve Clicquot - another big wine ideal for food. £25.95 to £28.50 from Waitrose, Harvey Nichols (071-235 5000), La Reserve (071-589 2020), Eldridge Pope (0305-251 251) or Fortnum and Mason (071-734 8040).

■ 1988. Roederer - rich again (honey and apples) and another food wine. £25 from Harrods, Tanners, Laytons, Justerini and Brooks, Lay and Wheeler, Berry Bros and James Nicholson.

■ 1989. Pol Roger - a big Pinot Noir wine with plenty of fresh raspberry tastes and one of the great wines of the vintage. £28 from Berry Bros, Harrods, Tanners (0743-332400), Valvona and Croix (031-556 1698) and Bennett's of Chipping Camden (0336-346302).

■ 1988. Bollinger - potentially the best of all but a slow developer and one to lay down. £30 from Sainsbury, Majestic, Bottoms Up, Threshers, Oddbins and Wine Rack.

■ 1986. Alain Thienot - an interesting champagne which would be good with more highly flavoured foods: £20 to £23 from Robersons, Barnes Wine Shop or the Clifton Cellar in Bristol.

■ 1988. Ruinart - this champagne is a point and one of the lowest wines in the vintage. With its nutty bouquet, it would be superb with food. Erick Bequembourg, of the Four Seasons Hotel, suggested a *salade foie* with foie gras. £21.00 from Silbendum.

■ 1988. Billecart-Salmon - tasting of raspberries and cream and a very delicate, feminine champagne. £25 from Harvey Nichols or Adnams of Southwold.

■ 1985. Alfred Gratien - call 0343-315105 for stockists. £23. Piper Heidsieck - the only really old-tasting champagne in the vintage. Perhaps a little like Miss Haversham but it will have its admirers. £18 to £20.50 from Davy's of London, Les Caves du Paireon of Leicester, Vin de Bordeaux of Oldham or Best Cellars of Devon.

■ 1988. Bruno Paillard - creamy bread and walnuts, just right for this Christmas. £22.95 from Le Nez Rouge (071-699 4711).

■ 1988. Charles Heidsieck - strawberry mousse, soft and luscious, it could even be drunk with bland fowl such as turkey. £27.50 to £30 from Selfridges, Fenwicks of Newcastle, Cavendish House of Cheltenham, or Bluns of Darlington.

■ 1989. Krug - nuts, raspberries and lemon, astonishingly complex, this really is God's wine. £65 to £75 from Oddbins, Harrods, Selfridges or Threshers.

Living with Trident

Continued from Page 1

not much larger than a coffin. The macabre feel is emphasised by the fact that many of the ratings' bunks are packed in around the bottom of the missile silos: in that sleep near death who knows what dreams shall come.

At about the size of a small second bedroom, the wardroom catering for 15 officers is probably the largest public space on the boat. Its most redeeming aspect is the lack of paperwork - a feature omnipresent elsewhere - and some soft furnishings.

Yet despite the best efforts of the Navy's designers, it is impossible to suspend disbelief and imagine yourself away from this cramped place and this responsibility. At heart, Vanguard is a nuclear-tipped sardine can with more than 100 men locked closely together for months at a time. Every nook and cranny is packed with electronic equipment, every ceiling a sprawl of hydraulic pipework.

The tang of the air is familiar to anyone who has been inside a power station or an engineering workshop. It is the metallic bite of machine oil and the dry warmth of reconditioned oxygen. There is a constant background hum from the nuclear reactor which is not so much heard as felt. It soaks up through the soles of your shoes. This is a soulless place drifting on a soulless mission.

The missile compartment is surreal. In the Polaris submarines they used to call it The Forest, with 16 tall trunks stretching along the compartment. Standing among them stretches the imagination beyond breaking point: could the contents of these tubes mean the end of humanity?

It goes without saying that it takes a particular kind of person to survive three months squashed inside a tin can waiting for the unimaginable. The pressure from boredom and claustrophobia is obvious, the weight of the sea above flattens the soul.

Yet there is also a paradoxical feeling of agoraphobia: thousands of miles of empty ocean stretching away on all sides added to the vertigo of hanging two or three miles above the sea bed. Whether the kind of person who can adjust to such conditions is the right person to have a finger on the nuclear trigger would make a good psychology finals question.

Stress is a problem. More than one submarine has had to be brought back from a Polaris patrol under sedation because he was unable to cope with the psychological demands.

It cannot help that not all of the submarine's crew are volunteers. The submarine service does not have sufficient applicants, so some have to be pressed into service from other parts of the Navy. Even Commander Boyd originally had ambitions to be a naval pilot. For all the Navy's proud history of turning reluctant recruits into a fighting force, the demands which are being made now are unimaginable to any crew member who genuinely contemplates them.

That stress can only increase as the gap between the rhetoric of deterrence and the likelihood of its being needed to counter an overwhelming threat in the real world gets wider. Handcuffs hang ready to subdue anyone who cannot cope. Its infantry retains a high stock of sedatives.

The difficulty of matching the real world to Vanguard's capabilities is not confined to the crew. For the Royal Navy, the launch of this spanking new deterrent is also a slightly awkward affair. Tensions between the great powers are at their lowest for 50 years, while the US and Russia are busy dismantling 60 per cent of their nuclear weapons. This is not the best time for the UK to launch a hideously expensive submarine fleet which substantially increases the number, range and accuracy of nuclear warheads Britain can deliver.

In part the Navy's weakened rationale for Trident explains the search for a new role in deterring those who might land the old Scud missile on the UK. It is also behind the argument that nothing much has changed and that Russia could soon turn hostile again.

Yet it is hard to hide the apparent pointlessness of long and stressful sea patrols to safeguard against a sneak attack which is not going to come. Perhaps the best at sea because a Trident submarine sitting in port would be a white elephant even harder to hide. It can only be hoped that the Navy's long run of avoiding large accidents continues.

THE THREE POINTS OF THE KENWOOD TRIANGLE REPRESENT ADVANCED TECHNOLOGY, QUALITY AND STYLE

THIS GUY'S STUCK IN TRAFFIC WITH A CELLULAR PHONE. HE'S SPOKEN TO HIS OFFICE, HIS WIFE, HIS BOOKIE AND HIS GOLF PARTNER.

THIS GUY'S STUCK IN TRAFFIC WITH A KENWOOD MOBILE RADIO. HE'S SPOKEN TO HIS OFFICE.

There are times when there is no substitute for a cellular phone, but equally there are times when you need to secure the bill for a series of calls that aren't doing a thing for your business.

Kenwood's range of portable and mobile radio units can be tailored to local, regional or nationwide coverage. They can

connect mobile to office or mobile to mobile, delivering paid down over both short and long range. Best of all, because the system is tailored to your own requirements, you have control over the costs. You can make the most of your investment in equipment, connectivity and line rental. There are no call charges to pay.

Solution to your corporate communications. With cellular phones, call 02 1212345 for details of the Kenwood Communications range. Because with Kenwood, it's not just pay for the talk, and not for the call.

KENWOOD

HOME AUDIO, CAR AUDIO, COMMUNICATIONS EQUIPMENT, TEST AND MEASURING INSTRUMENTS, TELECOMMUNICATIONS

سكنا من الاربع

Growing numbers of sportsmen are consulting a lawyer instead of the referee, writes **Keith Wheatley**

The new contender on pitch and track is the lawyer, and the name of the game is litigation.

In the second High Court case of the year involving a soccer accident, the Aston Villa footballer John Fashanu and his insurers were ordered to pay £70,000 in compensation to a defender injured in a 1987 league game. In a wrangle over contracts, Leicester City went to law last week seeking compensation running into millions of pounds after its manager, Brian Little, was lured away by Villa.

Meanwhile in Geneva, attorneys

acting for the International Motorsport Federation are trying to decide whether David Coulthard will work for McLaren or Williams Renault in next season's Formula One. If Williams wins, a talented driver may have to sit out 1995 in the pits while Nigel Mansell continues his comeback.

The death of the Austrian skier Uli Maier last season focused attention — and litigation — on a dangerous sport. When the International Ski Federation introduced compulsory and far-reaching rights-of-way for competitors in this year's World Cup, skiers began

The old maxim of *Volens non fit injuria* (he who consents cannot be injured), which used to govern sport, is now history and the inclination to reach for a lawyer rather than a referee is worrying the highest reaches of world sport.

Since the effects of this on the Olympic Games can only be bad, Olympic officials and leaders of international federations have begun to fight back against the tendency to sue and are attempting to make specialised sports arbitration more attractive.

Recent cases such as the one

involving the American sprinter Butch Reynolds, who sued the world athletics body for \$27m after he was suspended over allegations of drug abuse, were the last straw.

As worries mount about how litigation could affect the Atlanta Games in 1996, Dr Primo Nebiolo, president of the International Amateur Athletics Federation, announced at the International Olympic Committee council meeting in Barcelona last week that new IAAF rules would impose mandatory arbitration on competitors.

"We will change our constitution and insert an article making it

obligatory for an athlete to follow all internal appeals and then go to arbitration," said Dr Nebilo. Other sports within the Olympic programme plan the same restrictions.

Insiders say that the IAAF realized how serious the problems of litigation by athletes had become when the Coca-Cola corporation froze millions of dollars in sponsorship money to prevent it being sequestered under a court order to pay compensation to Butcher Reynolds.

If the new system had been in place, Reynolds's dispute with the US Olympic Committee would have

had to go to the Court of Arbitration for Sport in Switzerland.

This court has existed on a very modest scale for nearly 10 years. However, it has only recently been separated from the IOC, which was seen as a vital move, as many of the most serious disputes are likely to involve the Olympics and national trials.

Dick Pound, a Canadian lawyer and the most powerful member of the IOC after President Juan Samaranch, said: "Previously in these disputes the IOC had tended to take the line, 'What you say is debatable: what we say is sacred'."

"If this does not happen, I foresee the day when the US will no longer be able to attract any major sports events."

Grand Slam serves the whole game

One who does not is André

Two million a year has gone to developing tennis in third world countries

Television coverage ensures it is seen in more than 200 countries. That has been no easy task in the face of the political sniping from the Association of Tennis Professionals' Tour, the body that emerged

So tomorrow, when this year's winner of the Compaq Grand Slam Cup steps forward to receive his cheque for \$1.5m, remember the benefits that the contest has brought to the world game.

Hanging in there: Neil Carson gets

grip at the Snow + Rock World Cup



Climbing competition

intention of ever going near a mountain," said Mike Brown, managing director of Snow + Rock, the ski and mountaineering retail group, which has five shops in the south of England. Snow + Rock spent £25,000

Stoke Newington in north London into an indoor climbing centre called The Castle at a cost of about £1.8m. It will offer climbs up to 80ft and it is hoped it will be open next autumn.

FT Ski Expedition

With Klammer to watch over me

One problem, however, is that you have no idea which of your skiing gods may be peering down at you from a lift. For example, will Klammer - for whom Telluride is some-

Johnson (the first American - in 1964 - to win an Olympic gold for downhill), Franz Weber (six times World Speed Skiing champion); Leonhard Stock (1980 Olympic downhill gold medal at Lake Placid),

Thanks to Fran Newitt, our tireless UK co-ordinator, our mail still finds us. Most of it is of the "Dear Sir, Unless you..." variety from banks

[illegible]

Since we were unable to ski

■ **Travel arrangements:** *Ski The American Dream*, 4 Station Chambers, High Street North, London E6 1JE. (Tel: 081-552 1201).

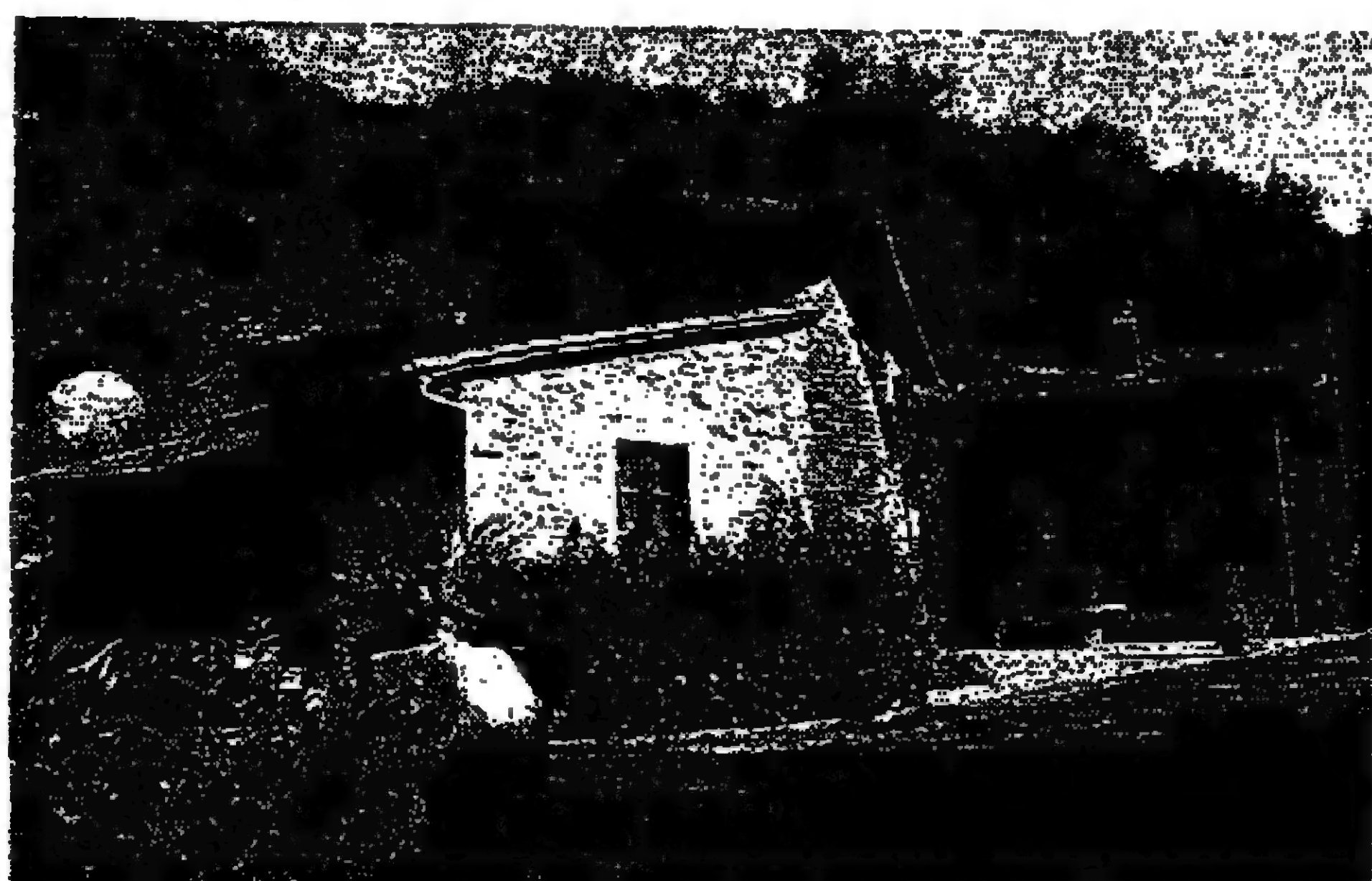
The ups and downs of a 24-hour race

bottles, to eat, drink, respond to the call of nature and even doze for a few precious moments until their next headlong plunge down the race-track.

By the time I stirred again at dawn, the amiable Erskine had crashed twice. "Once at 3am, when I wrapped myself round a pylon, and again at 5am when I fell at Kleenex

And Bill Johnson, the Olympic gold medalist in the downhill at Sarajevo in 1984 agreed: "I wouldn't last more than an hour."

PROPERTY



Holiday retreat: converted mill near Florence priced at £327,000 through Brian A French & Associates.

An Italian renaissance

With prices low, now might be a good time to buy a second home in Florence, writes Audrey Powell

The dire predictions that were made about the Italian property market in 1993 have come true in Florence this year, and worst estimates say the market has fallen by between 20 and 30 per cent.

PRICOA Relocation Management (the acronym comes from Prudential Insurance Company of America), a company that has handled relocations in the UK and Europe for 25 years, says: "The weak economy and political uncertainty have taken their toll."

"In a town that relies on small industry and tourism, the residential market falls have been serious." So now could be a good time to buy.

However, PRICOA says buyers have been cautious, while sellers have often refused to accept that the market has fallen so far.

Some agents are now saying the market has "stabilised", but others are using the word "stagnated". Both buyers and sellers are awaiting a miracle

solution, from the government. The company notes that many foreign purchasers have chosen to live in the city centre, around the Duomo and Santa Croce areas. For a new or renovated apartment there, prices are about £225,000 to £350,000 (£750m to £1,050m). Older properties could be a third cheaper.

Be wary of neighbourhoods that could be noisy, of the ever-present parking problem, and of places that attract the city's annual 2.5m tourists.

The revival of demand for second homes abroad among British buyers has been slower than expected.

Brian A French & Associates, a UK agent specialising in Italian property, believes it is now up to the agencies to rekindle the public's interest in the overseas market. The company's view is: "We can lead it along."

Florence has gathered a broad mix of properties in and around Florence, which it hopes will entice second-home buyers to the area. Accessibility is one of the selling points.

Florence is served by air, road and rail, and is a good base for business or relaxation.

Nearly all visitors leave the city regretting that they could not see everything they wanted to of its arts and architecture, the handicrafts produced in the 5,000 craft workshops in its network of lanes, and its celebrated high-fashion boutiques.

With so much to do, life in Florence need never be dull, although it could certainly be expensive. A currency that soon takes you into figures that run off the end of your calculator can be daunting to the foreign home-buyer. Take heart from the fact that Florence is a great place for haggling, especially in the present financial climate.

The hill-encircled city, with a population of 397,450, straddles the River Arno. From its high vantage points, it forms a pattern of faded red roofs and melow walls. At ground level there are narrow streets with ornate iron window grilles, avenues well-shaded with trees and businesslike, tall, flat-

fronted apartment blocks.

So where should one look for a second home? Up-and-coming areas are to the south at Campo di Marte. The lettings market is more buoyant than sales. In the medium-price bracket two-bedroom apartments range from £475 to £713 a month, depending on whether furnished or unfurnished.

For something more pricey, look in the Piazzale Michelangelo and Viale Michelangelo districts, says Dr Paolo Spagnoli, a property consultant with offices in Florence and London.

A beginning-of-the-century semi-detached house, set back behind a screen of trees has space for six cars in the forecourt. The basement would make a sizeable garden flat. There are high-ceilinged ground-floor rooms; various upper rooms and bathrooms.

It is not much cared-for at present, but the basics are there. Its Italian industrialist owner had been wanting about £1.5m, but is now asking £1.2m.



Country life: a 15th-century manor house, set in parkland in a hill-village 20 minutes drive from Florence, which is being converted into 15 units priced between £100,000 and £400,000.

negotiable.

In San Domenico, on the city fringe, is a property in a different style: a 1930s detached house. This is sited among individual houses on a hillside with more than two acres of garden and there is a possibility of buying more.

Although it looks almost like a bungalow, it has five bedrooms, a sitting room, study, dining room, paved terrace and double garage. It is modernised, has a highly sophisticated security system and is ready to move into. This is also priced at £1.2m, negotiable.

If you are not in the market at this sort of price, a short drive north of Florence takes you into the Mugello region. This expanse of open country seems to have escaped publicity because it has little to attract tourists except the occasional castle.

It has that Italian trademark: groups of slender cypress trees, and is surrounded by folds of hills shading from pale green to purple in the evening light.

Many Italians from Florence head in this direction, either for second homes or as commuters. They find they can pick their price among old villas and rural buildings. There are no parking worries and it is cooler in summer.

Brian A French & Associates has built up a collection of possible second homes. It is working in conjunction with Spagnoli Engineering, a Florence construction company that is renovating old villas and manor houses, often dividing them into more manageable units for sale. The company also does conversion work for individual buyers.

It is building 40 houses and flats in a development in the Rufina district, 30 minutes by car or train from Florence. The properties will be in short terraces, with the local-style red roofs and ochre-coloured walls. Prices are from £55,000 to £170,000.

If you want an older property, a 15th-century manor house in parkland, in a hill-village 30 minutes from Florence, is being made into 13

units of between 683sq ft to 2,750sq ft. They will sell from £100,000 to £400,000.

A farm estate in another Mugello area has been split to make a three-bedroom apartment in a tower, for sale at £75,000; and a ground-floor four-room flat with a bathroom and family room, priced at £39,000. Both will need refurbishment.

A four-bedroom section of a farmhouse, on two floors, at Dicomano, also needs renovation, but comes with 25 acres, at £160,000.

A long, low ruin of a stone-walled farmhouse at Barberino di Mugello needs complete refurbishment, in spite of its £70,000 price. Yet it has the makings of an appealing home.

For the person who wants a simple property, on its own, with the conversion work long done, the choice could be a former mill at Londa. This has three bedrooms, dining and sitting rooms and a small three-room apartment.

It has a double garage and

nestles in its sheltered, well-cultivated garden, with a stream running through it. It also has a large swimming pool, a luxury in a region where permission for a pool may be hard to get. The price is £327,000.

Abbey National, the British bank, has recently opened 13 bank branches across Italy, including one in Florence. It offers a range of live mortgages for both first and holiday homes in mainland Italy.

According to Pietro Bertoldi, of Abbey National's Milan head office, the bank now has a significant presence on the Italian financial services scene, lending to "thousands of contented Italian borrowers" and an increasing number of UK buyers. It has an English-speaking customer-service department in Milan.

More information: PRICOA Relocation, 071-629 3222; Dr Paolo Spagnoli, 071-403 9760; Brian A French & Associates, 071-284 0114; Abbey National Bank (Milan 667292).

LONDON PROPERTY

KENSINGTON GREEN • LONDON W8
RESIDENCES OF GENUINE DISTINCTION



- ◆ Six remaining houses from £950,000
- ◆ 24 hr Security • Landscaped Gardens
- ◆ Underground and integrated car parking

For further information on properties at Kensington Green please contact the Sales Office on

071 938 3350

or Facsimile

071 937 8194

SAVILLS

LONDON RENTALS

barnard
marcus

LEICESTER SQUARE
Exceptional mod. P.B. apartment. 4th floor (top) 2 beds. Bathroom & shower room. Recpt. FF kit. New dec. & cpts. GCH. Video sec. 1/b. £325 per week unfurn. (£350 pw furn.)
TEL: 071 636 2736
FAX: 071 436 2649

ARE YOU A WEARY LONG-DISTANCE TRAVELLER TURNED OF INTERNATIONAL HOTELS? Over fifty privately owned luxurious apartments and more houses for short stay in London's best locations. Call for our colour brochure IN THE ENGLISH MANNER. Tel: 071 332 6811 Fax: 071 351 9215

KENSINGTON/CENTRAL LONDON Largest selection of quality properties. £150-£1800pw. From 3 wks to 5 yrs. Chd. Pet-friendly. 071 792 0722. 10-7pm

ANDRE LANAUVER & Co

LENNOX GARDENS, SW3
Elegant two bedroomed first floor apartment. £850 per week
TEL: 071 251 3333
FAX: 071 258 2342

BARBICAN & CITY December list of let for sale from £55,000 Frank Harris & Co. City Office 071 850 7000.

CHALSEA HOMESearch & Co We represent the buyer to save time and money. 071 897 0051, Fax 071 897 2282.

barnard
marcus

CLIFFORDS INN, EC4
Stunning Art Deco style 1 bedroom flat in mod. block. 18 port. Ideal pied a terre. £595/500.
Tel: 071 636 2736 Fax: 071 436 2649
26 Museum St. London WC1A 1JT

**barncard
marcus**
BLACKFRIARS BRIDGE, SE1
River views. 2 bedroom flat with balcony in P/B block and in bridge. Lift, port, parking. £165,000
Tel: 071 636 2736 Fax: 071 436 2649
26 Museum St. London WC1A 1JT

BYRON DRIVE
THE BISHOPS AVENUE

Due for very early completion, elegant prestigious architect designed London home. Most spacious reception areas, study & family room. 4 principal bedrooms - all ensuite. Integral, fully contained garage. In all, approx. 4,800 sq. ft. Offered for early viewing £1.7m. Further details, in the first instance Tel: 0732 450699

SAVILLS

INTERNATIONAL Mayfair, W1
A third and fourth floor apartment in a substantial period mansion block offering some 212 sq ft (2,382 sq ft) of accommodation with two large communal reception rooms and four bedrooms.
Lanes 175 years occupying the same site of the block.
£795,000 subject to contract.
071 730 0822
35A, Whitehall 071 493 6935

AARON & LEWIS

COURTFIELD ROAD, SW7 £195,000
3 bed 2nd floor walk up flat. Leasehold.
BARSTON GDS, SW5 £235,000
3 bed 2 recpt flat. Use of gen. L/hold.
ROLAND WAY, SW7 £425,000
3 bed house in private road. Freehold.
Tel: 071 636 2736 Fax: 071 436 2649
26 Museum St. London WC1A 1JT

barnard
marcus

FETTER LANE, EC4
Ex-Chancellor flat. 2 bed, 2 Recpt. 2 bath, with facing B. Mod P/B block. 24 hr portage. Entri contents included.
Tel: 071 636 2736 Fax: 071 436 2649
26 Museum St. London WC1A 1JT

barnard
marcus

BARBICAN, EC2
Selection of flats for sale, studio to 3 bedrooms. Call for list & brochure.
Tel: 071 636 2736 Fax: 071 436 2649
26 Museum St. London WC1A 1JT

BUYING FOR INVESTMENT? We identify the best opportunities for you throughout central London and also in the city of Cambridge. We provide a complete package service: Acquisition, Finance, Portfolio, Letting and Management. Telephone Malcolm Walton International on 071 488 4291 or Fax 071 488 4291

MAYFAIR Overlook Grosvenor Sq. 2nd fl flat (10) large room, bed, bath, kitchen, sunny old house. Lease for sale 5 yrs Tel: 071 850 7000

A ONE STOP INVESTORS SERVICE - 35 yrs first hand London flats, houses, buildings, letting & man. 071 445 5040 Fax: 071 445 5040

ACORN PROPERTY MANAGEMENT SERVICES
Est. 1979. Members of ARLA.
ODHAM, HANTS Superb 5 bed, 3 bathroom Townhouse, Pauls Ross Kitchen £1500 Pcm.
ALRESFORD, HANTS Elegant Georgian House, 10 acres Parkland, 5 Beds, Swimming Pool, Tennis Courts. Butler, Chef, Gardener £5000 Pcm.
Details: Harday Wintery 0252 442755 Fax 0252 442446

COUNTRY PROPERTY

GOLF CLUB FOR SALE. PROPERTY ATTACHED. FROM £84,900.



LOOK WHAT AWAITS YOU AT A WATERMARK SECOND HOME. Unique setting: 3-bedroomed, 2-bathroomed golfing lodge situated on its own private uncrowded 18-hole golf course amid 800 acres of parkland. Unique offer: price includes free golf for life for two plus family membership to the Club House and Health Club. Endless facilities: private fly-fishing, tennis, horse-riding, indoor pool, gymnasium, sauna and jacuzzi. Secure investment: 999-year lease, round-the-clock security. 80% mortgages available, subject to status.

CALL US NOW ON 01604 671471
ONLY FOUR REMAINING
OUR PROPERTIES MAY NOT BE USED AS A PRINCIPAL PLACE OF RESIDENCE. YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

WELSH HOLIDAY COTTAGE (VALLEYS)
mountain views, fully mod., 2 bed, newly carpeted. £28,995.
Tel: 0495-790775

COUNTRY RENTALS

DERBYSHIRE WING OF COUNTRY HOUSE.
7 Miles Derby City Centre. 2 Bed. Substantially furnished. Assured Shorthold Tenancy. Tel Agents: 0509 233433 Fax: (0509) 248906

COUNTRY RENTALS

ACORN PROPERTY MANAGEMENT SERVICES
Est. 1979. Members of ARLA.
ODHAM, HANTS Superb 5 bed, 3 bathroom Townhouse, Pauls Ross Kitchen £1500 Pcm.
ALRESFORD, HANTS Elegant Georgian House, 10 acres Parkland, 5 Beds, Swimming Pool, Tennis Courts. Butler, Chef, Gardener £5000 Pcm.
Details: Harday Wintery 0252 442755 Fax 0252 442446

WATERSIDE

Miller

FOR SALE FREEHOLD BY PRIVATE TREATY HELFORD PASSAGE SOUTH CORNWALL

In one of the most coveted waterside settings in Cornwall, a unique and spectacular small estate forming a peninsula beside a golf course, having private beach and frontage of about 2,200 ft to the Helford estuary and to Porth Navas Creek. In an area of outstanding natural beauty opposite Franchmans Creek.

Fine South-Facing Residence - 3 Reception Rooms, 5 Bedrooms, 3 Bathrooms, Staff Annex, Detached Secondary House - 2 Reception Rooms, 3 Bedrooms, Garaging and Outbuildings, Exquisite Thatched Boathouse, Private Beach and Large Boat Shed, Beautiful Gardens and Unspoilt Woodlands with Creek-side Walks. In all, about 12 acres.
Contact: G Eas L&M Corp
Mansion House, Treva, Cornwall, TR1 2RE Tel: 0872 742111. Fax: 0872 424455

سكن من الاجل

Gardening

In praise of old Chinese practices

Robin Lane Fox has plans for autumn's finest flower

The start to winter has been extraordinarily kind, but we are all wishing that there were more flowers in the garden. Some of you are looking forward to Christmas; I am looking forward to an end to examining young hopefuls for entry to Oxford. Could we not pool our wishes and come up with something to satisfy everyone?

I now think I have found it in a recent study of life in the River delta, the town of Xiaolan has, over 300 years, evolved what we need. In late autumn, it holds its great festival of the chrysanthemum, the history of which was studied beautifully in 1990 by a Dr. Shi. And, instead of winning, the town has changed its name. It now calls itself the Town of Chrysanthemums.

In the past, when the upper classes still wrote poetry, upper-class townsmen there would meet in poetic groups and write poems to chrysanthemums. They also wrote chrysanthemum operas. As the social pyramid widened, the poetry dwindled and the music became more popular. Old blood had to compete with new money for social honour by displaying autumn's finest flower.

The festivals have been revived and, in a new municipal age, the town now makes little delicacies with a chrysanthemum flavour. During the festival, the flowers are still graded in pots, marked, and given prizes.

In Britain's climate, I quite see that town councils could find such cultivation difficult and might opt for a Universal Pansy Week instead. So, I have been going round the growers, asking how to grow top-class chrysanthemums in our busy, fragmented lives.

The easiest answer is to grow some of the few hardy forms outdoors and cut the flowers before the rain and frost ruins them. They have been misleadingly good in this mild year but, in any season, I recommend the buttoned bronzes of Dr Tom Parr, the favourite of the connoisseurs, and the single white-flowered Wedding Day, which was selected and shown by Bushfields of Leobury at the late-November Royal Horticultural Society show.

These hardy forms are even better than the semi-hardy Korean varieties which have to be lifted yearly and treated like dahlias in a frost-proof shed. They are not, however, the exhibitor's dream. To find this, you need to visit the RHS headquarters at Wisley, Surrey, where the national trials have been running for the past five years.

At Wisley, I fell for the superb, sunny-yellow Victor Rowe, with large flowers that van Gogh would have loved to



A cascade of beauty: Ray White, glasshouse superintendent at Wisley, with some of November's chrysanthemums

paint. The strong stems of White Cassandra are its near equal; the season can be prolonged until Christmas if you add in the quill-shaped flowers of the Elegance group. These varieties have stood up particularly well to the long trials, and Wisley's expert curators recommend them.

All these varieties need the support of a greenhouse and heat from October until April. Every year, they should be started from small cuttings, rooted in February and planted in 3in pots. Even the big UK growers now buy in their cuttings from specialists, most of whom grow them in Israel, Madeira and other sunny countries.

Chrysanthemums are acutely responsive to warm sunlight. Light encourages their early growth, whereas lengthening darkness promotes

the change from growing to flowering. Commercially, growers now manipulate the season by shortening daylight artificially, aiming to extract 3% cycles of flower in one year. The rest of us leave the natural darkness of late autumn to do the trick.

Late in spring, after the frosts, your rooted chrysanthemums can be stood outside and potted on through 5in, 6in and 8in pots. They like fresh air and fertilizer and respond to plenty of potash from September onwards (available easily in the Tomorite which we use on tomatoes).

On October 1, they must return under glass and, ideally, must be warmed along to opening time with a sustained temperature of 50-60°F. As you can see, they are not suitable for gardeners without a heated greenhouse; heated rooms indoors do not have enough

The reason why civilised eyes dislike this family is that they fasten on the more recent varieties, known as Charns. They are nothing of the sort. They arose from a chance seedling in Slough, near London, in the 1930s and have the stunted regularity of a mound of dwarf asters, with even more flowers in even harsher colours.

Instead, try the Cascade varieties which have long been loved in the East. Three or four plants can be trained to go a very long way, as Wisley shows. Train each plant individually on to an upright square of wire netting fixed at the back of its pot. During summer and autumn, the green shoots need to be trained on to this wire to show themselves off, extra shoots should be pinched out until you have a cascading curtain of flowers in mid-November, several feet high and wide.

Two such plants would dominate any drawing room. At Wisley, the spectacular cascades are Wisley Bronze and White Bouquet, tremendous flowers for anyone who has kept off the whitefly and leaf-mites during the growing season.

So much for the cultivation; now for my proposal. A Xiaolan-style festival could fill in the gap between the fireworks and the Christmas carols, and, under municipal patronage, it could even attract a few new types of its own: "Once in Royal Bejing City..." or "We Three Kings of the Orient Are..."

If the class structure has changed in the Pearl River delta, it has certainly altered in the home counties of England; how better to inte-

Fishing

Getting into the swing

Tom Fort meets a master caster

In Scotland earlier this year, I met a master caster with the fine Scottish name of Willie Matheson. I was on the Beauty and trying, with my 15ft carbon rod, to propel my fly far enough to reach one of very few salmon in the river. Actually, I thought I was doing quite well. But his arrival put matters in perspective.

I was using the overhead cast as I usually do, simply because it comes easiest. There is nothing wrong with the overhead cast assuming there are no trees, bushes, fences, grazing Highland cattle or other obstacles behind; and that a gale is not tearing over your right shoulder. In other words, it is a flawed technique.

There is another method known as speycasting which, in one or other of its variants, enables the salmon fisher to overcome the problems associated with the overhead cast.

Put very simply, the spey cast involves creating a moving loop of line which, when unfurled, sends the fly across the stream. Its sublime virtue is that at no point does the line go behind the angler. Vegetation and lurking livestock are safe.

It took Matheson to bring home the beautiful efficiency of the spey cast. He is head gillie on the Beany and knows how to deal diplomatically with duffers, as he was gentle with me. He also has, or had, a back so bad that he could hardly walk.

He hobbled over, picked up my rod, eased out the line and performed a minor miracle. He swept the rod up on his left, across in front of his face, and punched it out on his right side. The loop flew across the river, straightened, and the fly broke the surface an incredible distance away.

It was the economy and effortlessness of his performance which were so delightful. There was no exertion, no strain. It looked as straightforward as turning the page of a book. But it isn't. It is extremely difficult and not one kid you otherwise.

At least, that is my experience.

With Matheson at my side, I tried. But the harder I tried, the more inept the results. The secret, of course, is in the timing - as with a cover drive in cricket or a three-run approach shot in golf.

Brute strength is of little help without co-ordination and that essential "feel". Willie was encouraging as he left me; keep at it, he said, keep practising. It's the only way.

But you need a teacher, and the supreme one of our times is, beyond doubt, Hugh Falkus.

Indeed, he is one of angling's great figures. Two of his books, *Sea Trout Fishing* and *Salmon Fishing*, have become standard texts, shedding light on what were once mysteries for countless anglers. His *Freshwater Fishing* - which he wrote with Fred Butler - is a wonderful storehouse of learning and sage counsel.

For years, Falkus has been running casting courses near his home on the Cumbrian East. By most accounts, these were pretty gruelling affairs, for the man is not noted for indulgence and compassion. But, for those who could stand the pace, the experience was often formative.

Now, the lessons barked across the water at his cowering pupils have been assembled in his new book called *Speycasting: A New Technique*, published by the great man's friend, David Burnett (Excellent Press, 103 Lonsdale Road, London SW13 9DA). The price of £25 is less than a tenth of the price of a new carbon salmon rod. The



help it should give you in getting the best out of that rod makes it a sound investment.

I do not intend to go into Falkus's new technique, partly because it defies simplification and mainly because I do not begin to grasp it - yet. The text is certainly no literary classic; nor should it be. The voice is that of an elderly, opinionated, irascible prep schoolmaster addressing a gaggle of more or less ignorant boys. But the unrelieved didacticism does not matter if the lesson is sound - which, I would guess, this is.

The photographs, arranged mainly in sequences like stills from a film, give as fluid and vivid an impression of the techniques as a book could possibly provide. The great majority of them feature Falkus himself, white-haired, stern-faced, in an interesting selection of threadbare jerseys.

I am told that he is now in poor health. So, if this should prove to be his last testament, it is a worthy one. Certainly, it has hardened my resolve to grapple with these disciplines.

Practice, practice, practice - I can almost hear him saying it. Who knows: it might even, one day, turn me into a half-decent salmon fisherman.

PROPERTY

LUB FOR S
TY ATTACH
A £84.90



01604 671471
WATERING

WATERING

HULLFORD PARK

INTERNATIONAL PROPERTY

ATLANTA, GEORGIA USA

57 Acre estate - woods, pasture, good streams.
5 Bedroom main house, 2 bedrooms guest/staff cottage.
Tennis court and swimming pool.
An understated but luxurious haven for country lovers or home enthusiasts yet only 30 minutes from REX CARLTON, NEDMAN MARCUS, SALES 578 AVENUE, SALES 578 AVENUE.
Excellent private and public schooling in area.
PRICE: \$1,694,000.
For full details and brochure call Evelyn Ratteree
Tel: USA 404 713 0848 Fax: 404 250 5337

SWITZERLAND

Lake Geneva & Mountain resorts
You can own a quality APARTMENT/CHALET in the heart of the mountains. The area is beautiful, with views of the lake and the mountains. The apartments are modern, comfortable and well equipped. The chalets are spacious and have a large terrace. The prices are very reasonable.
SALES 578 AVENUE, SALES 578 AVENUE.
Tel: 0122 774 1140 Fax: 734 1230

PENTHOUSE PERFECTION

2293 of home plus 567 of wrap terrace with incredible views. A one-of-a-kind exquisite home!

ELAYNE GELBER, V.P.

212-212-0335 Fax: 212-212-0335
GREENHILL RESIDENTIAL

DIANE BEACH, KENYA

We are looking for neighbours at Kenya's most beautiful beach. Luxury furnished villa with pool and Sea-View for sale!
Contact: Kiri Ltd, (UK) 081-741-6210 (evenings) or fax: 081-741-6222
Bongani Vilas, Diane Beach Kenya
No agents please!

LEXINGTON MASSACHUSETTS

Executive home with 4+ bedrooms and many extras. Short commute to Boston. For sale \$599,000 or long term lease. Available immediately furnished or unfurnished.
Fax: 617-862-6389.

NYC CONDOMINIUM

100 UNITED NATIONS PLAZA
One of New York's finest condominiums offers 24-hour doorman & concierge, private physical fitness center, on-site garage & spacious apartments with fabulous views.
FURNISHED 2 BEDROOM
Magnificent 2 bedroom 2-1/2 bath apt with lovely views. Beautifully renovated & furnished to meet the highest standards.
PENTHOUSE PERFECTION
2293 of home plus 567 of wrap terrace with incredible views. A one-of-a-kind exquisite home!

Shown exclusively through:

ELAYNE GELBER, V.P.
212-212-0335 Fax: 212-212-0335
GREENHILL RESIDENTIAL

DIANE BEACH, KENYA

We are looking for neighbours at Kenya's most beautiful beach. Luxury furnished villa with pool and Sea-View for sale!
Contact: Kiri Ltd, (UK) 081-741-6210 (evenings) or fax: 081-741-6222
Bongani Vilas, Diane Beach Kenya
No agents please!

LEXINGTON MASSACHUSETTS

Executive home with 4+ bedrooms and many extras. Short commute to Boston. For sale \$599,000 or long term lease. Available immediately furnished or unfurnished.
Fax: 617-862-6389.

WORLD OF PROPERTY MAGAZINE

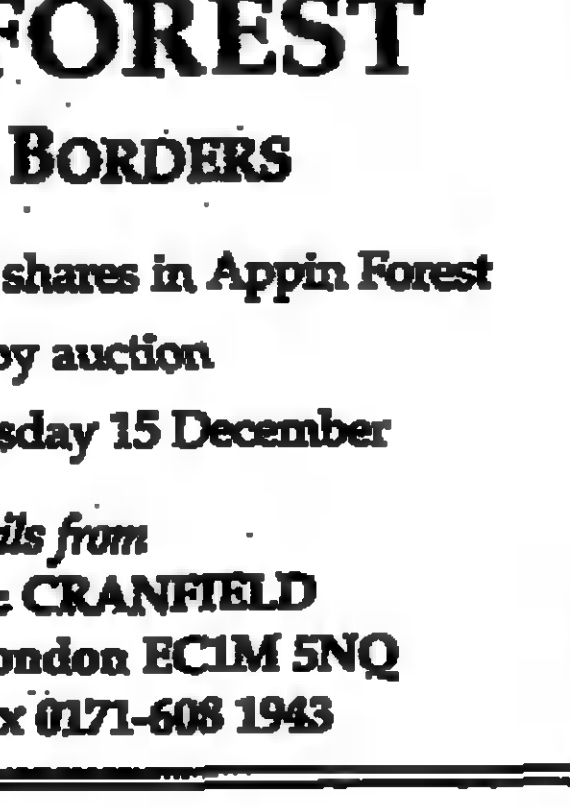
The best & biggest. For your FREE COPY
Tel: 081 542 9000 Fax: 081 542 2737

GOLF

GOLF WORLD PROPERTY NEWS The only magazine showing exclusively with the sale of International Golf Real Estate and Golf Club Memberships. Contact: Australia Fax: 01 923 0491.

GARDENING

STORM DAMAGE? FENCE DOWN?



MEIPOST RELAX
The easy way to put up a fence
FOR FREE CATALOGUE
Tel: 0300 252 0560

AFRICAN GAME FARMS

London-based conservation lodges offer a wide variety of southern African game reserves and lodges for sale. Large estates: 100 - 30 000 acres. Prices from £100,000 to £500,000; some suitable for commercial development. Game farms from 50 to 200 acres. Excellent game. Camouflaged. Camouflaged. Camouflaged.

SOUTHERN SPAIN

AT THE MOST SOUTHERLY PART OF EUROPE
A unique holiday and residential development based on the historic and scenic village of Andalus, and in the heart of the region. The development is situated on a hillside overlooking the sea. The houses are modern, comfortable and well equipped. The prices are very reasonable.

"Your Home in the Sun"

In picturesque Lanzarote Island a beautiful 2 bedroom, 2 bathroom penthouse apartment on front line English owned complex. Expansive sea views overlooking large heated swimming pool. Close to banks, restaurants & shops; 2 minutes walk to sea. £70,000 (furnished). For details call 010 3428 590928 (day) or 0420 - 23506 (evening). Ref: L/JWC

RETIREMENT

ENGLISH COURTYARD
"IN THE VALLE OF THE WHITE ROSES"
Prestigious Court, Stamford-in-the-Vale, Co. Leics. New cottages of lovely detached homes. 2 and 3 bedrooms. Fine views. £172,500 to £197,500 - including garage. Less than 125 years. Full Service Change details available. FOR THIS AND ALL THAT IS BEST IN RETIREMENT HOUSING ACROSS RURAL ENGLAND English Country Homes Association, 8 Hallford Street, London W6 4LT. TELEPHONE 0896 228858

WORLD OF PROPERTY MAGAZINE

The best & biggest. For your FREE COPY
Tel: 081 542 9000 Fax: 081 542 2737

GOLF

GOLF WORLD PROPERTY NEWS The only magazine showing exclusively with the sale of International Golf Real Estate and Golf Club Memberships. Contact: Australia Fax: 01 923 0491.

GARDENING

STORM DAMAGE? FENCE DOWN?



MEIPOST RELAX
The easy way to put up a fence
FOR FREE CATALOGUE
Tel: 0300 252 0560

Motoring / Stuart Marshall

A classic of British know-how

Why have four-wheel drive? Quite simply, to maximise traction. Normally, drivers exploit it to keep going across country - as I did in the Range Rovers I enthused about here two weeks ago - or when the tarmac disappears beneath snow and ice. But four-wheel drive also has a calming effect on high-performance cars. It makes fierce acceleration usable for fast, safe overtaking without risking loss of grip.

On-road 4x4 cars are always well balanced and never feel as though they want to bite the hand that steers them. In the past few weeks, I have sampled three of them, all quite different. Two were Audi quattro: the A8 and Avant RS2. The third was the daddy of them all, the Jensen FF.

Many people are unaware that Audi's turbo-charged quattro coupé of 1990 was not the first on-road 4x4. Jensen got there first in 1966. This small West Bromwich firm built 320 FFs between 1966 and 1971, plus larger numbers of the rear-wheel driven Interceptor on which the FF 4x4 was based. It was a great car but, sadly, not a commercial success; Jensen went bust in 1976.

The benefits of all-wheel drive for road-going cars, along with anti-lock brakes - the FF pioneered those, too - were not appreciated widely at the time. Even if they had been, few could have afforded one. In 1967, the FF cost £5,339 - roughly as much as a Rolls-Royce. An Interceptor was only £3,742.

Typical FF owners were aristocrats, showbiz people and professional golfers on a winning streak. Their £5,339 bought a beefy but elegant two-door, four-seater with a massive 6.376cc Chrysler V8 engine producing around 330 horsepower.

All four wheels were driven permanently through Ferguson Formula (hence the FF) transmission and a three-speed automatic gearbox. The disc brakes incorporated Dunlop's Maxaret anti-lock system, used until then only on aircraft.

The FFs were 20 years ahead of their time, and many survive. (In contrast to some of the rubbishy cars called classics nowadays merely because they are old, FFs really are classics worth saving.)

You could call the Interceptor and FF barrel-chested cars. They look like identical twins, although the FF is a little longer and heavier.

I found it to be sprung far



Beetle-browed bruiser: Jensen's FF, the daddy of all on-road 4x4s

more firmly than an Interceptor, while its agility made it very light on its feet. It was no less effortless to drive. The transmission shifted smoothly and the steering was amply power-assisted. Even by today's standards, it was extremely muscular, yet its manners were courtly.

Inevitably, the 34-year-old FF showed its age in some respects. Compared with its 1994 equivalent, the Audi A8 quattro, which I had driven to Shepperton, its shallow windscreen made it seem beetle-browed.

The minor controls were less ergonomic, the interior not so spacious. It seemed a broadsword of a car to the Audi's rapier but, in general, carried its years lightly.

Audi claims a top speed of 163mph (262kph) and 0-62mph (0-100kph) acceleration in 5.4 seconds for the Avant RS2. I believe them.

Having driven it for a week in the real world, not on a race track, what impressed me was the stillness of the close-ratio, six-speed gearbox, complete lack of temperamental in town, bullet-like acceleration and unbreakable tyre grip.

Less agreeable was the harsh ride, aggravated by hard seats. Fuel consumption averaged 20-21mpg (14.1-13.4/100km).

MOTORS

HASSOP LEXUS offers the L2400 FF £51,000 plus and £53,500 FF plus. Demonstrations at your home or office. Tel: 081 469 0005 for details.

JEMICA London's Largest Dealer for LEXUS Tel: 081 203 1888

JENSEN FF 1971 (800 c.c.), Concours, Private sale, £25,500. Also JENSEN CONVERTIBLE 1974, 227,500. Telephone 0532 240757

BOOKS

The king of the gossip column

Jurek Martin on the rise and rise of America's first celebrity journalist

Modern journalism has its angels and its devils, its pundits and polemists, its scandal and hate-mongers and gossips and those whom even the mightiest governments could not ignore. Yet surely no American in the 20th century has embodied all these qualities, good and bad, as much as Walter Winchell.

His 40-year journalistic

career encompassed, consecutively, newspapers, radio and the early days of television, with a brief digression into film. All the great trends and events of his times were the subject of his pen and voice. He was the principal chronicler of the glamour of Broadway in the 1920s, the flowering of the café society in New York in the 1930s and the emergence of Hollywood.

Winchell practically invented celebrity journalism as we now know it. Damon Runyon, his personal friend, Hemingway and Menckens all thought his style unique and admirable but he made his ene-

mies, too, like Ed Sullivan, a contemporary rival and later the TV host who introduced the Beatles to America.

But once established as the king of his gossipy realm and with a radio audience running into 700 a week, he turned to politics and the affairs of the world. In one of his smartest acts, Franklin Roosevelt invited Winchell round to the White House for a brief chat in the first week after his presidential inauguration. No precise record of what passed between them exists beyond the columnist's notoriously exaggerated recollection, but the result was that the presi-

WINCHELL: GOSSIP, POWER AND THE CULTURE OF CELEBRITY by Neal Gabler

Knopf £30, 681 pages

dent acquired a supporter-for-life.

The New Deal had no larger public booster than Walter Winchell and, at a time when fascism was a force in American politics, no more early and vociferous American opponent than Adolf Hitler. Although Winchell was, like the rest of his country, equivocal on

whether the US should enter the war in 1939, he thought his president was right to support Britain with the lend-lease programme - and British intelligence was smart enough to understand his public influence and to feed him material (so, for different ulterior motives, did J. Edgar Hoover of the FBI).

His progressive record, most notably on race relations, made it all the more extraordinary that he joined Joe McCarthy's witch-hunt. Gabler traces this to a famous incident at the Stork Club involving Josephine Baker, the black entertainer, who walked out in

disgust at not being served promptly. This turned Winchell's anti-fascist guns on all "ungrateful" liberals and communists, with Hoover, as ever, staking his fire. The columnist was there at all the great Washington hearings of the mid-1950s, as much of a celebrity as those on the bench and in the dock. As McCarthy fell, so did Winchell and his reputation never recovered.

His decline into irrelevance and poverty again had its occasional counterpoints. His distinctive machine gun voice could be heard again in the early 1980s as the narrator of *The Untouchables*, the TV

crime series, the late Bert Lancaster caught his personality dead to rights in his portrayal of J.J. Hunsecker, the unscrupulous gossip columnist in the film *The Street with a View*.

But his spirit and approach does live today. As a gossip columnist, he relied on and thus legitimised "press agents", "forerunners of today's ubiquitous public relations industry; current American fascination with celebrity trials (O.J. Simpson, the Menendez brothers, the Bobbitts and Harding) has roots in Winchell's intense coverage of Bruno Hauptmann, convicted for kidnapping the Lindbergh baby. And if Rush Limbaugh, the modern radio polemicist, and all his coterie want to look up family trees, they need search no further than Walter Winchell.

Sad Little Prince

Who is the most popular French writer outside France? Not Molière, nor Sartre, nor even Simone de Beauvoir. His children's story *The Little Prince*, about an aviator who crashes in the Sahara Desert and wakes up beside the little prince, visiting from another star, runs into more foreign editions than any French book.

Written in lonely wartime exile in New York, *The Little Prince* was bundled off to the publishers as Saint-Exupéry boarded a ship for North Africa in 1943 and persuaded the American forces to take him on as a reconnaissance pilot. The next year, deviating from his flight plan so that he could chase his childhood haunts in southern France, he disappeared. His plane was never recovered.

As romantic and mysterious as his fiction, Saint-Exupéry's life was steeped at once in the pioneering spirit of early aviation and in nostalgia for the chivalry of the 19th century. Born in 1900 into an aristocratic family, he spent an idyllic childhood in a chateau at the foot of the Jura mountains. At 19, he made his first flight - four years after the Wright brothers - and was hooked. He joined the French air force, then flew in North Africa as a member of the Air Mail Service - the subject of his first book, *Southern Mail*.

In 1931 in Argentina he met a glamorous young widow called Consuelo. He invited her for a fight then and there, and demanded from the cockpit

SAINT-EXUPÉRY by Stacey Schiff

Chico & Wanda £25, 325 pages

that she kiss him. When she refused, he threatened to crash the plane because he was too ugly to win her love. A few months later, with the bride dressed in black, they married.

But his obsession with flying took its toll, and the couple rapidly and resentfully came to lead separate lives. They competed to see who could stay out latest, habitually standing each other up on midnight dinner dates. They could not have a baby, Saint-Exupéry said, because Consuelo's socialising was so hectic that she would leave it in a taxi.

To escape, he made ever more reckless trips. Trying to break the record for a flight from Paris to Saigon, he and his mechanic crashed in the desert and nearly died of thirst; how they were rescued by an Arab is told in *Wind, Sand and Stars*. Back home in France, he wrote to the family that had saved him: "Here the world looks less like a desert but in reality it is more so."

Saint-Exupéry never accommodated to his own times. His manner was old-fashioned, aristocratic, exquisitely courtly - the style of *The Little Prince*. He was an idealist whose overriding concern was man's spiritual needs in the new technological age. Like many children's writers he never grew up - his favorite pastime was to fly paper airplanes off the Empire State Building.

This is the second major English biography of Saint-Exupéry in two years. Stacey Schiff is more comprehensive and detailed than Paul Webster (*Antoine Saint-Exupéry: The Life and Death of the Little Prince*, Macmillan), but far less readable. Her style is fussy, her interpretation of her subject's writing muddled and convoluted. She does, however, throw extensive and important new light on the composition of *The Little Prince*, much of it written at the home of Sylvia Reinhardt, a young American who was besotted with Antoine.

He was, according to Schiff, by this time impotent; moreover, he spoke no English and Sylvia had no French. But she served him fried eggs and English muffins by candlelight whenever he called, and provided a doll and a poodle as models for the prince and the sheep. Then she listened, rapt though without understanding a word, as Saint-Exupéry read from the manuscript.

Schiff sees *The Little Prince* as a "cosmic ur-text." Webster, more convincingly and sympathetically, reads the book as a love letter to Consuelo, who is characterised as the rose. After he had finished it, Saint-Exupéry wrote that he was "indifferent to life." The climax to this story, his madcap despairing wartime flights, is breathtaking and heart-breaking.

Jackie Wulfschlaeger



An epic study of the genesis of greatness

Patti Waldmeir on Nelson Mandela, the man who refused to hate

of the family comforts which formed the substance of so many prison dreams. Forced to choose between his role as father of the nation or father of the family, Mandela knows he chose correctly. He regrets the consequences - among them, the pressures which probably helped to drive Winnie to illegal acts - but he does not regret his choice. Commitment made that inevitable.

Mandela avoids dwelling on this personal tragedy, or on the demeaning and de-humanising experiences of his long life as a prisoner. He mentions them almost passing and focuses instead on his efforts, often

successful, to triumph over his captors by using persuasion and charm - plus his sharp wit as a trained lawyer - to defeat a brutal system.

Nowhere is Mandela's extraordinary character apparent more readily than in his relationship with his warders: his steadfast refusal to blame the individual for the evils of a political system; his joy at detecting a "glimmer of humanity" in one of his guards; his patient efforts to persuade them of his cause - efforts which, surprisingly, often succeeded.

This tale of struggle and suffering is leavened throughout by Mandela's impish wit:

ghost-writer Richard Stengel is remarkably adept at capturing the voice of Mandela at its most relaxed and entertaining. Although his prepared speeches often are heavy and dull, Mandela is a superb impromptu raconteur. This survives Stengel's editing of the first parts of the book - composed in jail and buried in the prison garden for safekeeping - and the fact that he wrote most of the latter section on the basis of interviews with Mandela.

Overwhelmingly, though, this is not a book about Mandela's love of gardening (he provided home-grown vegetables to the prison warders); or

about his sight-seeing forays in the Cape, guided by warders who tormented him unwittingly by giving him opportunities to escape which he knew he must not take; or about his decision to build a retirement home in the Transkei based on the floor plan of his prison bungalow. It is a serious book about his political evolution - from Thembu loyalist, to African nationalist, to violent revolutionary, to world-class statesman.

It is one of the most extraordinary political tales of the 20th century and well worth the investment for anyone truly interested in the genesis of greatness.

From Elvis to punk

Nostalgia rules as Peter Aspdén tunes into the year's pop books

As if sensing its own decline, pop music is delving more and more into the past to discover its true worth; and nowhere can this be seen more clearly than in its literature.

The pick of these year's pop books fittingly tackle two of the genre's greatest legends: Elvis Presley and The Beatles. Peter Guralnick's *Last Train to Memphis: The Rise of Elvis Presley* (Little, Brown, £17.99) chronicles just a small part of his subject's life - up to his mother's death in 1958 - but how refreshing it is to see an author concentrating on Presley's formative, classic years rather than dwell morbidly on his decline.

Guralnick's account is a welcome corrective to those who believe that Elvis was just a good-looking boy who was in the right place at the right time. He was also, notwithstanding his youth, an immensely dedicated and self-confident artist whose perfectionism exasperated colleagues; the rough spontaneity of a classic like "Hound Dog", for example, required no fewer than 30 studio takes before the singer declared his satisfaction. The book also evokes marvellously the atmosphere of rural America in the 1950s.

Ian Macdonald's *Revolution in the Hand: The Beatles' Records and the Sixties* (Fourth Estate, £15) also makes the point that success and superstardom were not achieved with the apparent effortless which the group's best songs managed to convey. His track-by-track analysis, unafraid of explaining seemingly trivial points with quite complex musical terminology, will prove irresistible to any fan; equally impressive, however, is the subtle, elegiac essay at the front of the book which is one of the most convincing cultural analyses of recent British musical history which you could ever hope to read.

Elsewhere, we have had the usual mix of embarrassingly hagiographic biographies and serious, polytechnic lecture-theses which attempt to locate the importance of popular music in society-at-large. These latter affairs, on the whole joyless and ponderously-written, are a result of the spectacular growth of subjects such as cultural studies in higher education, which legitimises doctoral dissertations on... well, just about anything really.

One of the best of these books is George Lipstich's *Dangerous Crossroads: Popular Music, Postmodernism and the Poetics of Place* (Verso, £18.95), a collection of essays which looks at the subject of ethnicity in music. The mix of different cultural soundtracks is one of the most

characteristic features of today's music, and most of these pieces are intelligent and well-conceived.

Which is more than can be said of most of the biographies on offer. Once more, the goodies are the oldies. Ray Coleman's *Clayton: The Autobiography* (Sidgwick & Jackson, £15.99), an easy enough read, perfectly reflects the man's current musical output: pleasant and unchallenging. The subject of Jeremy Reed's *Waiting for the Man: A Biography of Lou Reed* (Picador, £14.99) could never be accused of that, but he has become increasingly difficult to take seriously, scarcely deserving of the iconic status ascribed by the author (no relation).

The most pretensions offering around is Ray Davies's *X-Ray: The Unauthorised Autobiography* (Viking, £16), in which a fictitious "journalist" gets Davies to open up on his life in the 1960s, although there are some nuggets in the over-confused narrative. A more entertaining account of that decade's excesses is provided by Marianne Faithfull and her co-author David Dalton in *Faithfull* (Michael Joseph, £15.99), written with good humour and a certain amount of battered dignity.

Moving into (slightly) more recent history, Carl Magnus Palm's *Abba: The Complete Recording Sessions* (Century, £12.95) is a good example of a pop act, notwithstanding phenomenal sales and even a cult retro following, being unable to withstand detailed critical attention. Palm has done his homework, however, and some of the early pictures are hilarious.

A man who seems to keep up with the feelings and desires of each successive generation is Neil Young; *The Rolling Stone Files* (Sidgwick & Jackson, £15.99) is a revealing and poignant collection of articles from the magazine's archives, and a fascinating insight into the changing face of rock journalism over the past 25 years.

But then again, time and pop music have a strange relationship. Delving into George Gimarc's *Punk Diary 1970-1978: An Eyewitness Record of the Punk Decade* (Vintage, £8.99), I was reminded that there were just four years between the release of the Beatles' final album, *Let It Be*, and the first Ramones gig. To listen to the two groups' music, you would put them 100 years apart; but things moved fast in those days. If nobody comes up with any bright ideas, expect both a punk and a Beatles revival for 1995, and expect them to be written about in yet more loving detail.

LONG WALK TO FREEDOM by Nelson Mandela

Little, Brown £20, 630 pages

had right firmly on his side - it profiles a man, not a supernatural agent of good. His memoirs are never merely self-indulgent: each episode represents an essential building block in the construction of the Mandela character.

From the moment of his birth into the royal family of the Thembu tribe in the Transkei black homeland, he begins to learn the lessons of leadership which he draws on - 600 pages and seven decades later - to guide a reluctant African National Congress to eventual agreement with the white minority government. For although Mandela often disclaims personal responsibility for the deal which ended apartheid - going out of his way to stress the deadlock-breaking initiatives taken by, among others, South African Communist party chairman Joe Slovo - this is the story of the political and emotional evolution of a great leader of men.

There are glimpses of human weakness: after young Mandela flees an arranged marriage in the Transkei, he leaves a trail of lies and half-truths which land him in endless trouble. And, to the very end, he remains unable to detect guilt in his wife, Winnie, despite her conviction on kidnapping charges; the book's most moving passages reveal his love for the beautiful woman Winnie, his desire for her during decades in prison, and his devotion to her despite their 1992 decision to separate.

Winnie is the centre of Mandela's personal tragedy: that he was forced to sacrifice his personal life to the liberation cause, not only while in prison but for the five years since his release. Mandela today lives largely alone, bereft

of the family comforts which formed the substance of so many prison dreams.

Forced to choose between his role as father of the nation or father of the family, Mandela knows he chose correctly. He regrets the consequences - among them, the pressures which probably helped to drive Winnie to illegal acts - but he does not regret his choice. Commitment made that inevitable.

Mandela avoids dwelling on this personal tragedy, or on the demeaning and de-humanising experiences of his long life as a prisoner. He mentions them almost passing and focuses instead on his efforts, often

successful, to triumph over his captors by using persuasion and charm - plus his sharp wit as a trained lawyer - to defeat a brutal system.

Nowhere is Mandela's extraordinary character apparent more readily than in his relationship with his warders: his steadfast refusal to blame the individual for the evils of a political system; his joy at detecting a "glimmer of humanity" in one of his guards; his patient efforts to persuade them of his cause - efforts which, surprisingly, often succeeded.

This tale of struggle and suffering is leavened throughout by Mandela's impish wit:

ghost-writer Richard Stengel is remarkably adept at capturing the voice of Mandela at its most relaxed and entertaining. Although his prepared speeches often are heavy and dull, Mandela is a superb impromptu raconteur. This survives Stengel's editing of the first parts of the book - composed in jail and buried in the prison garden for safekeeping - and the fact that he wrote most of the latter section on the basis of interviews with Mandela.

Overwhelmingly, though, this is not a book about Mandela's love of gardening (he provided home-grown vegetables to the prison warders); or

about his sight-seeing forays in the Cape, guided by warders who tormented him unwittingly by giving him opportunities to escape which he knew he must not take; or about his decision to build a retirement home in the Transkei based on the floor plan of his prison bungalow. It is a serious book about his political evolution - from Thembu loyalist, to African nationalist, to violent revolutionary, to world-class statesman.

It is one of the most extraordinary political tales of the 20th century and well worth the investment for anyone truly interested in the genesis of greatness.

War crimes and other injustices

Did five countries collude to execute an innocent man? Chrystia Freeland reads on

This book reads like one of those paperback courtroom thrillers you devour on long-haul flights. It has fast cars, beautiful girls, sinister judges and dishonest prosecutors involved in an international cover-up and, at the end of the day, our plucky defence lawyer and his innocent client triumph against overwhelming odds.

But, for all its page-turning and sometimes frankly tacky style, *The Demjanjuk Affair* tells a true and important

story. Written by Yoram Sheftel, the defence lawyer in the case the book describes, it is the tale of how, in one of the most publicised war crimes trials of the decade, Israel very nearly executed the wrong man.

In 1966 John Demjanjuk, an retired auto-worker living in Cleveland, was extradited to Israel to be tried on charges that he was a Ukrainian guard at the Treblinka concentration camp, known as "Ivan the Terrible" for the sadistic pleasure he took in abusing prisoners. Demjanjuk was imprisoned in Jerusalem for seven years and found guilty and sentenced to death before an overwhelming

body of evidence - discovered by the defence only late in the case - compelled the Israeli Supreme court to overturn the verdict and allow him to return home.

Sheftel leads readers on a racy romp through the twists and turns of this tale - which includes the suspicious suicide of one of his partners, rumormongering through garbage cans outside the US Department of Justice for concealed evidence, and trips to Warsaw and the Crimea - but he ends with a damningly serious conclusion.

Sheftel contends that Demjanjuk was not merely the victim of a sad case of mistaken identity. Instead, by the

end of the book, Sheftel has concluded that "Not only was the wrong man put on trial; the whole affair began with a despicable plot, an international conspiracy of five countries - the Soviet Union, Poland, the United States, Germany and Israel."

Sheftel argues, and subsequent decisions by American courts overturning the initial extradition of Demjanjuk have supported this view, that the Office of Special Investigations, the branch of the US Justice Department established to investigate war criminals living in America, knew all along that Demjanjuk was not "Ivan the Terrible." But the OSI, according to Sheftel, concealed exonerating evidence from the defence (these are the documents discovered in the DC trash bins) because of its overpowering desire to secure a conviction.

He accuses Poland, Germany and the Soviet Union of going along with the American plot and concealing documents in their own possession which would also have helped to prove that Demjanjuk was the wrong Ivan. But Sheftel reserves special venom for what he calls the "Israeli establishment." In its eagerness to "conduct a special 'Israeli style' show-trial, to teach Israeli children the story of the Holocaust," Sheftel accuses that the Israeli criminal justice system very nearly "murdered" an innocent man and debased the memory of the Holocaust.

These are serious charges, but Sheftel backs them up with a wealth of evidence, and they have been broadly endorsed by rulings in American and Israeli courts. It is this miscarriage of justice - which Sheftel, with

huge arrogance but an equal measure of justification, compares to the Dreyfus Affair - that makes *The Demjanjuk Affair* an important book.

Some readers might disregard this book's powerful message in their distaste for its tone. Sheftel has made no effort to adopt a dispassionate, objective stance. His "beautiful, new, dazzling white Porsche 924" appears four times in the first 25 pages, his mother's Yiddish sayings pop up repeatedly and clichés, especially those involving fire, seem to hold a magnetic appeal.

But for all his unabashed self-promotion - Sheftel admits this was the case of his career and takes an unholily delight in the humiliation of his opponents - he tells a story worth reading. If I were ever unfairly accused of a serious crime I would want this courageous agent to be my lawyer.

NEW AUTHORS

ALL SUBJECTS CONSIDERED
Fiction, non fiction, Biography,
Religion, Poetry, Children
AUTHORS WORLD-WIDE WANTED WRITE
ON ANY TOPIC
MINERVA PRESS
2 OLD GROUND ROAD, LONDON SW9 3SD

ARTS

Veteran painters in abstraction

Alan Green and Albert Irvin may not have won any prizes but their work is flourishing, writes William Packer

At 82 and 72 respectively, Alan Green and Albert Irvin qualify as veteran painters in the true sense of the word, "grown old in service; experienced by long usage or practice; old soldiers." More to the point, both are abstract painters, which to many, such is the current orthodoxy of critical debate, would seem to mark them out not so much as rare, but as irrelevant beasts indeed.

On the one hand, the figurative-revisionist lobby comes close to arguing that abstraction was an aberrant and sterile sport in the development of modernism. On the other, we should remember that not since the 1960s has an abstract painter of any kind been our principal representative at the Venice Biennale, and not once has one won the Turner Prize, which in any case seems now, after seven such winners on the trot, to be reserved exclusively for sculptors.

The truth is that once developed, abstraction was never going to go away. Moreover, from the hands of true artists from Mondrian to Pollock have come some of the most physically beautiful and certainly most characteristic works of our century. Here it flourishes, as it has done since the war, with many of our more interesting painters, young and old, as committed to it as ever - Fiona Rae, Alan Gouk, Basil Beattie, Bridget Riley, Trisha Gorman, Jennifer Durrant, Peter

Joseph, Sean Scully, Terry Frost, Patrick Heron - the list is endless. Green and Irvin, although they have won no prizes, no public honours, no great retrospectives, are as distinguished as any of them. Between themselves, they could hardly present a greater contrast. Green is the more classical of the two, his work coming out of the constructivist tradition, architectural and rectilinear in its disposition, minimalist in its tendency. To describe it, even now when it has withdrawn from the more extreme simplicity of recent years, is almost to describe nothing - muted colours, close tones, the composition a matter of simple verticals and horizontals.

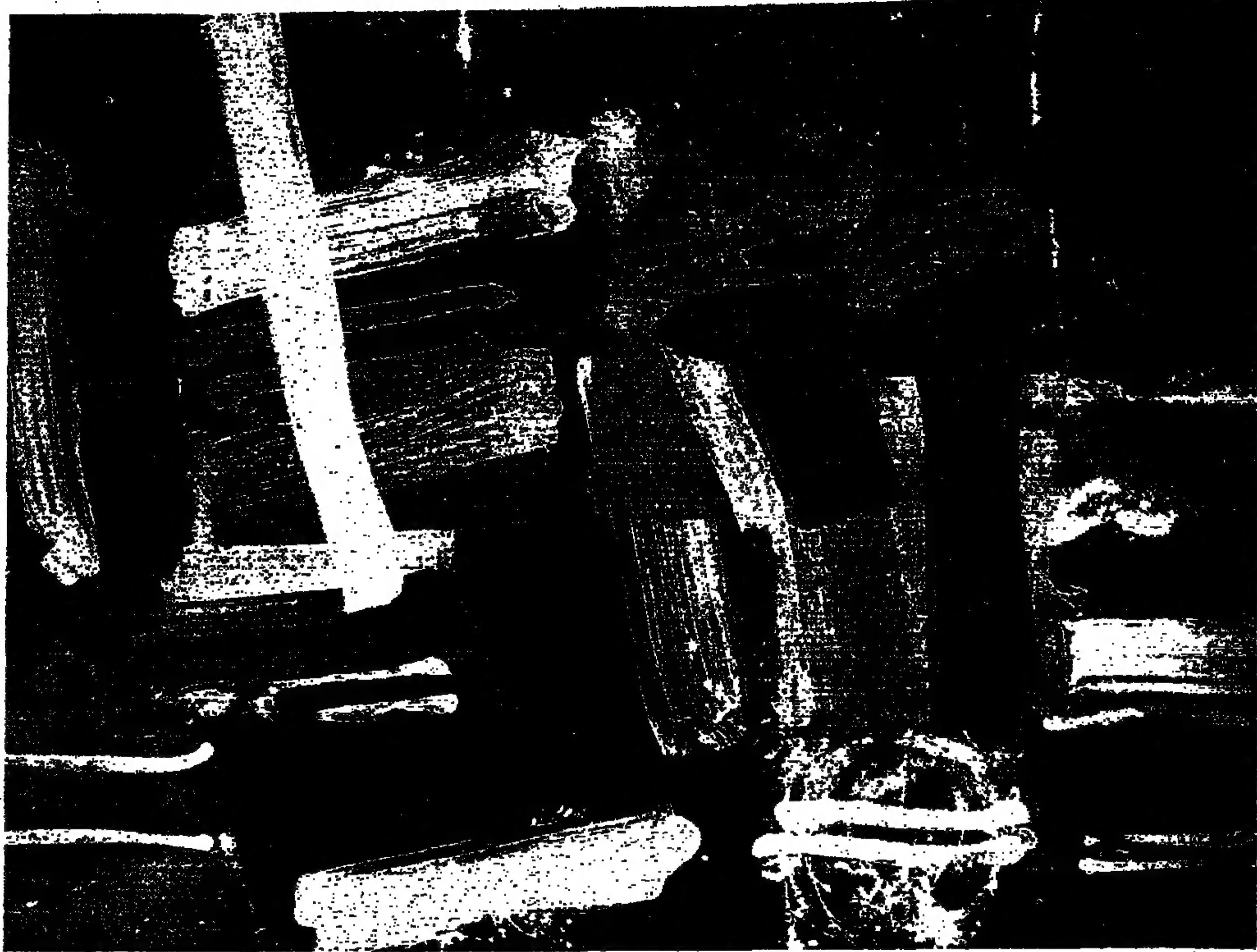
But that says nothing of the richness of the surface, with its pigment worked so lovingly, raked and hoed like the richest soil, albeit a mere patch, a pocket handkerchief. These are small paintings, yet the vigour so evident in their working gives them a physical presence quite disproportionate to their scale. All, so far, is on the surface, to be relished as the surface - texture, colour and tone all singing together in close and silent harmony, "for there is a music wherever there is a harmony, order or proportion," as old Thomas Browne said.

But there is more to them than that, for these are pictures: all their

surface and physical qualities have pictorial and imaginative qualities to complement them. All abstract painting has a sense of landscape to it, by the simple fact that even a single mark laid upon a surface will work pictorially upon the imagination by the suggestion of space. An horizontal becomes an horizon, and any vertical interposed will articulate the space between. Are Green's horizontals, then, true horizons, his verticals and cross-members monumental structures, or are they only possibly such things? Are they even these things, and at the same time not these things at all? Such imaginative ambiguity is for us to reconcile.

If Green is the classical, Albert Irvin is manifestly the romantic, and yet the point of the landscape possibilities of abstraction applies equally to him and his work. It is just that Turner rather than Mondrian is his hero, and the ambiguous suggestion is achieved by atmospheric clouds and sweeps of colour rather than by line. Music too comes into it, though Wagner and Verdi rather than Satie.

It must be said that in recent years Irvin seems to have settled upon the major keys, and even the same tunes. The energy, the sheer gusto of the work, and the particular variations that inevitably follow notwithstanding, the formal structure he employs seems now to be set in a consistent pattern - a huge colour-field filled to a consistent



Copenhagen 1994 by Albert Irvin: Turner rather than Mondrian is his hero, the ambiguous suggestion is achieved with sweeps of colour rather than line

density, flat up to the picture-plane, with blocks and circles overlaid cross-wise with broad swathes of clean, vivid colour.

The physical excitement and delight he takes in the act of painting

are infectious, and his technical control over so ebullient a temperament, exercised on so vast a scale, is remarkable. To note a formulaic quality, when an artist such as Green is clearly and necessarily for-

mulaic, is therefore not to carp. But Irvin is so different, so openly intuitive and spontaneous in his approach, that one only wonders how considered, or unconsidered, his formula has become.

Alan Green: small paintings; Annetta Fine Art, 23 Dering Street W1, until December 17. Albert Irvin: 30 Davies Street W1, until January 14.

Television/Christopher Dunkley

Comic with rage beyond the laughs

Unless today's programme is utterly different from the first nine in the series, Channel 4 will screen the funniest and sharpest programme of the week at 10.05 tonight: *Rory Bremner - Who Else?* It has not been possible to watch a preview tape because the programme was still being put together last night, topicality being an important element. But a flop at this stage would be astonishing. Between them, Bremner and his producers Geoff Atkinson and Elaine Morris and, very importantly, John Bird and John Fortune, have now developed a formula and a tone of voice which induces not only laughter but cheering.

For too long in those few television comedy programmes where topicality plays a part, it has been fashionable to be flippant; to give the impression that, while you

understand everything that means anything in the world today - the information superhighway, Take That, Michael Portillo - it is all really too, too boring and the sooner this awful layer of pancake is removed and the cheques dish out, the sooner we can all get back to the things that really matter... soap commercials, corporate videos, that sort of thing.

Of course there have been laughs in *Knowing Me Knowing You*, *Clive Anderson Talks Back* and *Hove I Got News For You*, even a few in *Spitting Image*, and a lot in *Drop The Dead Donkey*. But it is difficult

to imagine anybody in any of those shows ever allowing honest-to-god anger, or even passionate enthusiasm, to show through the pose of ennui and knowingness. When a tub of lard was substituted for Roy Hattersley on *Hove I Got News For You* it was certainly funny, but there was no feeling that anybody really wanted to offend poor old Roy. Sure enough they welcomed him onto the show a few weeks later.

The loudest and longest laughs in *Rory Bremner - Who Else?* are prompted by Bremner's stand-up sessions at the start and, most of

all, the end of the show when he delivers tour-de-force medleys of impressions. Last week he segued through Victor Meldrew, Lloyd Grossman, Clive Anderson, Ronnie Corbett, Barry Norman, Ian Paisley, Prince Philip, Lynne Faulds Wood and Anne Robinson to Peter O'Sullivan - I may have missed one or two. The talent of impressionists is currently out of fashion for some reason, but Bremner has two strengths that put him above fashion: first, all his characters are instantly recognisable and, second, he delivers good jokes.

Sometimes his own sketches are

political, the government being his target more often than not, which is proper enough since it is the government which enacts legislation and affects our lives. Evidence suggests that Bremner's personal beliefs lean left, so it is hardly surprising that in this series he has developed a gormlessly grinning Tony Blair who avoids ever saying anything definite, and a fine line in ridicule for the entire shadow cabinet. They were recently shown smiling, drinking, and sailing to the tune "Busy Doing Nothing".

The significant point is that there is frequently a sense of anger, even

hury, behind the political content of the programme (which means much of it) the greatest scorn often occurring in the material delivered by guest performers. Sheila Hancock proclaimed a scathing revision of Margaret Thatcher's quote from the prayer of St Francis: "Where there is hatred let me sow division; where there is injury, a reduced disability allowance... where there is darkness let there be VAT on fuel; where there is sadness, a telephone..."

There is nothing flippant about that, nor about the dialogues of the two Johns which have become such

a powerful element in the show. The fictional interviews with politicians, civil servants, and especially chairmen of privatised industries provide some of the funniest moments of the week: the important difference between the chief executives of BT and the Post Office? "Well his basic salary is £983,000 and mine is only £150,000. Have you ever tried to live on £150,000 a year? Next door to impossible". Beyond the laughs there is unmistakable rage at the way we continue to allow greed and sleaze to flourish alongside pain and poverty.

This series stands head, shoulders, and torso above the other topical comedy programmes.

Check No 1051 1 Q2 Kx5 2 N5 Kd5 3 Q5. If Kd3 2 Ne7 Ke4 3 Qe2 or Kd5 3 Qe2 Kc6 3 Qxb5.

VERONA®

73rd Opera Festival in the Arena of Verona July 7th - September 3rd 1995

Fri-Mon	14.-17.7.95	Cavalleria Rusticana / Pagliacci - Rigoletto - Aida	Due Torri
Fri-Mon	21.-24.7.95	Cavalleria/Pagliacci - Carmen-Premiere - Rigoletto	Victoria
Fri-Mon	28.-31.7.95	Turandot-Premiere - Cavalleria/Pagliacci - Aida	Due Torri
Fri-Mon	04.-07.8.95	Cavalleria Rusticana / Pagliacci - Turandot - Carmen	Milano
Fri-Mon	11.-14.8.95	Turandot - Rigoletto - Carmen	Colomba d'Oro
Mon-Fri	14.-18.8.95	Carmen - Rigoletto - Aida	Colomba d'Oro
Fri-Mon	18.-21.8.95	Carmen - Turandot - Aida	Colomba d'Oro
Mon-Fri	21.-25.8.95	Carmen - Rigoletto - Turandot	Colomba d'Oro
Mon-Fri	27.-29.8.95	Carmen - 2nd Gala Carreras: Spanish Night	Colomba d'Oro
Sun-Tue	27.-29.8.95	Carmen - Turandot - Aida	Colomba d'Oro
Tue-Fri	29.8.-1.9.95	Carmen - Turandot - Aida	Colomba d'Oro

Splendid unrestricted view

from the Tour Operator's permanent blocks of high quality stalls: Front row orchestra stalls and side elevated stalls row 10 (close to the stage, best sound), all with arm and back rests, upholstered or supplied with cushions. Spacious leg room.

Accommodation at good Hotels at the Arena in medieval Verona.

English speaking staff, air conditioned rooms, en suite bath rooms:

Due Torri****, Verona's Grand Old Hotel, Arena 900 yards

Colomba d'Oro****, No. 1 Opera Hotel, Arena 190 yards, Opera House 170 yards

Victoria****, modernized Palazzo, Arena 350 yards

Milano****, Verona's Hotel closest to the Arena, 70 yards

The total price is £1,200.00 for each travel date.

This includes Hotel accommodation, Opera tickets,

British Airways non stop London - Verona 12:45 - 15:50, home: 16:35 - 17:40

VENICE SIMPLON ORIENT EXPRESS

London - Paris - Verona 11:15 - 16:29 (2 days), home: British Airways

available July 13 and 20 at a supplement of £800.

This is a high quality Opera Travel Programme, established 1977.

The Tour Operator attends all travel dates and all performances.

For detailed information, Arena seating plan,

and Arena by air poster showing position of seats and hotels please contact:



Robert Schweitzer

Opera Travel to Verona

D-64368 Ober-Ramstadt • P.O. Box 1155 • Nieder-Ramstädter Straße 44 • Germany

Telefax 01049615432600 • Telephone 0104961543021



Air Travel Organizers' Licence of Civil Aviation Authority London

Agencia Convenzionista Ente Lirico Arena di Verona

Superb Strauss



Anyone with a passion for music and hi-fi will feel instantly at home with ATC.

In the true tradition of many small British companies, we have a single-minded passion for quality.

Flat out, we hand-produce hardly more than 100 pairs of loudspeakers a week.

The result? Nothing short of perfection.

But don't take our word for it. Listen to Strauss.

Prices from £1,000 to £20,000. (Call 0286 760861 for more.)



ATC Loudspeaker Technology Ltd, Gypsy Lane, Aston Down, Stroud, Gloucestershire GL6 8HL.

Prima donna past her prime

What do we do with the ageing prima donna? Do we allow fond memories of her heyday to cushion her decline - or do we politely suggest she moves on to less demanding roles where her experience can be put to advantage? Those questions are posed by the new production of Richard Strauss's *Die Frau ohne Schatten* at the Zurich Opera House, in which Gwyneth Jones sings the Dyer's Wife. This is a part she has sung to justified acclaim in the past - including one historic occasion in Zurich nine years ago when she sang the Dyer's Wife and the Empress in the same performance.

Time has marched on, but not all of us are wiser. Dame Gwyneth still likes to sing the part, to bask in the limelight it brings. She clearly needs that kind of ego-boosting, adrenalin-pumping experience. The hit-or-miss intonation, which was always her trademark, has become more distracting. The heat in the voice is heavier. In the past, such flaws had to be set against her charismatic stage presence, her ability to communicate 150 per cent.

But the flaws loom bigger now. She no longer looks the part, despite a flattering brown wig. Gestures which were once an appealing part of her stage make-up - such as that helpless look of put-upon innocence - have become mannerisms. The Zurich audience indulged her, cheered her to the roof. But Dame Gwyneth is living off her reputation. She

is a crumbling vision of her former self.

Now look at another soprano in the same cast - Anja Silja, whose voice was long considered close to burn-out. Silja is older than Gwyneth Jones, but has aged with dignity. She has graduated to roles which suit her, roles which do not require pristine vocal quality - such as Herodias in *Salome*, Emilia Marty in *The Makropoulos Case* (both of which she will sing in Britain next year) and now the Nurse in *Die Frau ohne Schatten*. Silja dominated the stage without appearing to try. Tall and shrewish, she moved with the stealth of a predator, and once rejected, bore the crestfallen look of someone mortally wounded: a classic portrayal.

The rest of the cast were comparative youngsters. Gösta Winbergh made a cautious but convincing debut as the Emperor. Gabriele Lechner was a gracious Empress, with a gleaming array of top notes. Alfred Muff was the poetic Barak. All benefited from Christoph von Dohnányi's conducting: the orchestra has never sounded better.

Cesare Lievi's production was little more illuminating than the previous instalments of his Strauss series in Zurich. His approach was deliberately naive, barely suggesting the mystery or symbolism of the tale. David Pizzigoni's post-modern sets, adorned with oriental motifs, had as much atmosphere as an architect's model, but his costumes looked pretty.

Andrew Clark

NEW INSTRUCTIONS!

Please dial 0891 437 200 from the handset or telephone on your fax machine and follow the voice prompt.

FT UK ARTS GUIDE FAX

If you are interested in the arts, we have a new weekly fax service to suit you. Our UK Arts Guide covers those major productions reviewed in the FT - giving a full listing of events and also the option to access the FT review of your choice.

For a full listing of the choices available, dial 0891 437 200 from the handset or telephone on your fax machine, and follow the voice prompt.

FT ARTS GUIDE				
Dance/Opera	Film	Books	Exhibitions	Theatre
Sleeping Beauty	Frederick	Prince of Wales	Pre-Raphaelites	Hamlet (Glasgow Theatre, Feb 20)

To receive the FT review of your choice, dial 0891 437 followed by the 3 digit code which appears against the particular event shown on the full listing. Please dial from the handset or telephone on your fax machine, and follow the voice prompt.

FT ARTS GUIDE	
HAMLET	
Not only is Stephen Dillane's Hamlet the freshest, most interesting, and most peculiar ingredient...	

Please note: We would like to apologise to those customers who have not been able to access the service from the keypads of their machines. If you have a keypad and no handset, please leave your name and address on our Helpdesk line (0171 873 4378), stating this fact, and we will send you a connecting device to enable you to use your telephone with your fax.

Calls are charged at 33p per minute (cheap rates, 40p per minute at all other times).



Financial Times Information

HEAR ON RADIO 3.

'BRIAN KAY'S SUNDAY MORNING' MUSIC AND REQUESTS. 9:00AM.

900 RADIO 3
90-95 FM

سكزا من الاصل

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

List extends for 7 days to: 17/12/94

AMSTERDAM

CONCERTS
Het Concertgebouw Tel: (020) 671 8345
● Enrico Pao: pianist, plays in the Masterplank service. Performance includes Beethoven, Mendelssohn and Debussy at 8.15 pm; Dec 11
● Sir Georg Solti: with the Royal Concertgebouw Orchestra and pianist Evgeny Kissin conducts Beethoven and Bartók at 8.15 pm; Dec 14
Het Muziektheater Tel: (020) 551 89 22
● Die Fledermaus: by Strauss. Conductor, Paal Weerkant, production by Johannes Schaaf at 8 pm; Dec 11 (1.30 pm), 14, 17

GALLERIES

Rijksmuseum Tel: (020) 673 21 21
● Art of Devotion 1300-1500: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun)
● Marble, Chintz and Brocade: Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12
Van Gogh Museum Tel: (020) 570 5200
● Odilon Redon: retrospective of the French artist's work with over 160 paintings, etchings and lithographs from public and private collections; to Jan 14

BARCELONA

GALLERIES
Fundació "la Caixa" Tel: (93) 404 60 73
● Kandinsky/Mondrian: Two Roads to Abstraction. Exhibition that marks the stylistic evolution of the two painters in their early phases; to Jan 22 (Not Mon)
Museu Picasso Tel: (93) 319 69 02
● Picasso's Early Works: 220 drawings and paintings from the period 1890-1912; to Feb 12 (Not Mon)

BERLIN

CONCERTS
Berliner Philharmonie
● Berlin Philharmonic Orchestra: conducted by Claudio Abbado plays Monteverdi, Stockhausen and Tchaikovsky at 8 pm; Dec 10, 14, 15, 16
● Deutsches Symphonie-Orchester Berlin: with pianist Eldar Nebolsin and conducted by Vladimir Ashkenazy plays Chopin and Sibelius at 8 pm; Dec 17
Konzert Haus Tel: (030) 309 21 02/21 03
● Berlin Symphony Orchestra: conducted by Dresdner Kreuzchor plays Vivaldi at 8 pm; Dec 10, 11, 12, 17
● Radio Symphony Orchestra Berlin: conducted by Michel Plasson plays Haydn and Mozart at 8 pm; Dec 15

OPERA/BALLET
Deutsche Oper Tel: (030) 3 41 92 48
● Siegfried: by Wagner. Conductor Horst Stein, production by Götz Friedrich at 8.30 pm; Dec 14
● The Nutcracker: by Tchaikovsky, choreographer Peter Schaufuss at 7 pm; Dec 12, 15
Staatsoper Unter den Linden Tel: (030) 2 00 4762
● Die Verurteilung des Lulu: by Paul Dessau. Conductor Hirsch, production by Berghaus at 8 pm; Dec 15
● Die Zauberflöte: by Mozart. Conductor Daniel Barenboim, production by August Everding at 7 pm; Dec 14
● La Traviata: by Verdi. Conducted by Rizzi, production by Kirst. In Italian at 7 pm; Dec 11 (8 pm), 17
● The Nutcracker: by Tchaikovsky. Production and choreography by Wainonen/Schattlow at 7 pm; Dec 10 (8 pm), 16

BOLOGNA

OPERA/BALLET
Teatro Comunale Tel: (051) 529999
● Il Turco in Italia: by Rossini. A new production directed by Evelino Pido at 8.30 pm; Dec 11 (3.30 pm), 13 (6 pm)

BRUSSELS

CONCERTS
Philharmonie de Bruxelles Tel: (02) 507 84 34
● Orchestra Philharmonique de Liège: Pierre Bartholomé conducts Mahler's symphony No.3 at 8 pm; Dec 15
● Royal Concertgebouw Orchestra: with pianist Evgeny Kissin and conducted by Sir Georg Solti, plays Beethoven, Bartók and Kodály at 8 pm; Dec 17

GALLERIES

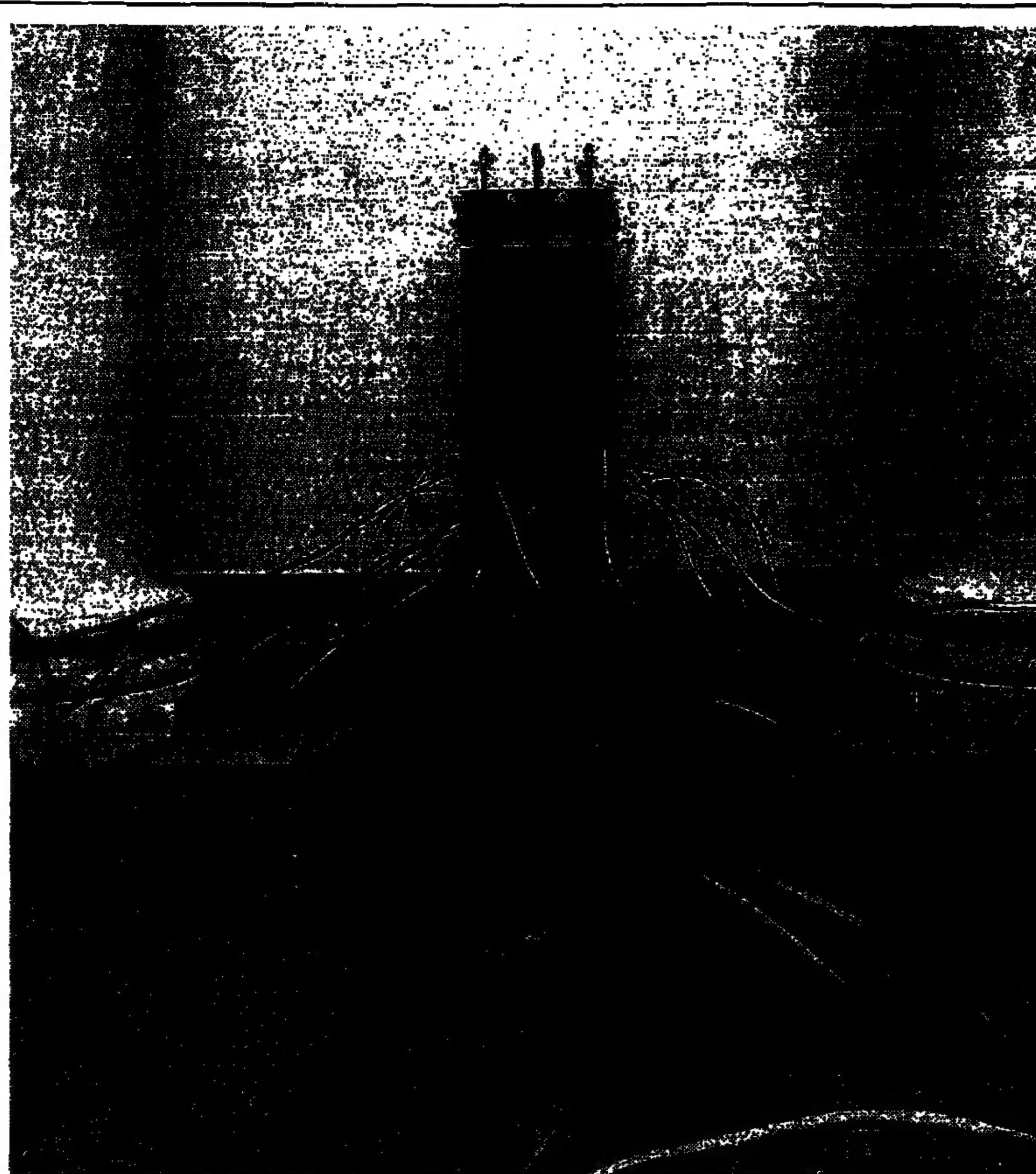
Musée d'Art Moderne Tel: (02) 511 90 84
● Gainsborough to Ruskin: British landscape drawings and watercolours from the Pierpont Morgan Library in New York. Paintings by Constable, Turner and other 18th and 19th century artists; to Jan 15 (Not Mon)

CHICAGO

GALLERIES
Art Institute Tel: (312) 443 3800
● Karl Friedrich Schinkel (1781-1841): 100 drawings and prints by the influential German architect; to Jan 2

OPERA/BALLET

Lyric Opera Tel: (312) 332 2244
● Aida: by Verdi. With tenors Lando



Stream of consciousness: 'River of the Moon' (1992) by Rebecca Horn, at the Tate, from a private collection

Bartolini and Kristján Jóhannsson at 7 pm; Dec 10, 13, 17

LONDON

CONCERTS
Barbican Tel: (071) 638 8891
● André Schiff: pianist plays Bach, Bartók and Beethoven as part of the Barbican Celebrate Recitals Series at 4 pm; Dec 11
● Christmas Concert: by the Royal Philharmonic Orchestra. With soprano Susan Gritton and conducted by John Scott at 7.30 pm; Dec 16
● The Dream of Gerontius: by Elgar. The London Symphony Orchestra with mezzo-soprano Anne Sofie von Otter conducted by Sir Colin Davis at 7.30 pm; Dec 11, 15
● The Messiah: by Handel. City of London Sinfonia conducted by Richard Hickox at 7.30 pm; Dec 13
● Festival Hall Tel: (071) 828 8800
● Beethoven Series: Philharmonia Orchestra conducted by Nikolaus Harnoncourt. Symphony No 8 and 6 (Pastoral) at 7.30 pm; Dec 10
● International Series: The London Philharmonic conducted by Bernard Haitink plays Berlioz (Overture, Benvenuto Cellini), Ravel (Mother Goose) and Vaughan Williams (Symphony No.5) at 7.30 pm; Dec 15
● Philharmonia Orchestra: conducted by Charles Dutoit and with pianist Pascal Rogé plays Mozart and Mahler at 7.30 pm; Dec 13
● Royal Philharmonic: Marinsky-Kirov Series: Royal Philharmonic Orchestra with conductor Valery Gergiev and mezzo-soprano Larissa Diakova and the Royal Choral Society perform Prokofiev and Rimsky-Korsakov at 7.30 pm; Dec 12
● The London Philharmonic: conducted by Bernard Haitink, with soloists Karita Mattila (soprano), Ann Murray (mezzo-soprano), Keith Lewis (tenor), Robert Lloyd (bass) and the London Philharmonic Choir perform Beethoven Symphonies Nos. 1 and 9 (Choral) at 7.30 pm; Dec 11

GALLERIES

Hayward Tel: (071) 261 0127
● Romantic Spirit in German Art 1790-1890: examines work of early Romantic painters. Includes section on German Expressionists; to Jan 8
ICA Tel: (071) 830 3647
● The Institute of Cultural Anxiety: works of art and science by young British artists such as Angela Bulloch, Liam Gillick alongside works by more established artists such as Jeff Koons and Julian Opie; to Feb 12
National Portrait Tel: (071) 306 0055
● Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12
● The Skivvies: the arts of the 20's and 30's through the eyes of the Skivvies; to Jan 22
Royal Academy Tel: (071) 439 7438
● The Glory of Venice: a major survey of Venetian art in the 16th century; to Dec 14
● The Painted Page: Italian Renaissance Book Illustrations from 1450-1550; to Jan 22
Serpentine/Tate (joint exhibition) Tel: (071) 402 0343
● Rebecca Horn: major exhibition of works by the German artist including 'Kiss of the Rhinoceros'; to Jan 8
Tate Tel: (071) 887 8000
● James McNeill Whistler: major survey of the Victorian painter and designer; to Jan 8
Victoria and Albert Tel: (071) 938 8500
● Streetstyle: tribal dress codes from Harlem in the 40's to new age travellers in the 90's; to Feb 19

OPERA/BALLET

English National Opera Tel: (071) 632 8300
● Ariadne on Naxos: by Strauss. A Graham Vick production at 7.30 pm; Dec 14
● Figo's Wedding: In house debut

for conductor Derrick Inouye at 7 pm; Dec 10, 13, 15, 17
● Khovanshchina: new production of Mussorgsky's opera. Director Francesca Zambello at 8.30 pm; Dec 12, 16
Royal Opera House Tel: (071) 240 1200
● Ashton Remembered: celebration of the Royal Ballet founder choreographer Frederick Ashton. Includes pieces by Mendelssohn, Offenbach, Massenet and Walton at 7.30 pm; Dec 15, 17 (2 pm)
● La Traviata: by Verdi. A new production by Richard Eyre. Georg Solti conducts for the first five performances, then Philippe Auguin. In Italian with English surtitles at 7.30 pm; Dec 13, 16
● Mixed Programme by the Royal Ballet Company: includes Fearful Symmetries choreographed by Ashley Page, and Symphony in C by Bizet, choreographed by George Balanchine at 7.30 pm; Dec 10 (2 pm), 14
● The Sleeping Beauty: a new production of Tchaikovsky's ballet. Produced by Anthony Dowell, set designed by Maria Bjornson at 7.30 pm; Dec 12

THEATRE

Barbican Tel: (071) 638 8891
● New England: World premiere of Richard Nelson's new play. No performance 12-15th Dec, otherwise at 7.15 pm; to Dec 23 (Not Sun)
Gielgud Tel: (071) 494 5065
● Hamlet: by Shakespeare. Directed by Peter Hall, designed by Lucy Hall. With Stephen Dillane, Michael Pennington, Donald Sinden and Glynis Barber at 7.15 pm; to Feb 4 (Not Sun)
Haymarket Tel: (071) 930 8800
● Arcadia: by Tom Stoppard, directed by Trevor Nunn. Two present day historians investigate a possible scandal involving Lord Byron at 7.30 pm; (Not Sun)
National, Cottesloe Tel: (071) 928 2252
● Two Weeks with the Queen: adapted by Mary Morris from the novel by Morris Gleitzman. Alan Ayckbourne directs at 7.30 pm; Dec 10 (2.30 pm), 16, 17 (2.30 pm)
National, Lyttelton Tel: (071) 928 2252
● Out of a House Walked a Man: by Daniel Xuma. A Royal National Theatre and Theatre de Complicité co-production of a collection of musical scenes by the Russian absurdist writer at 7.30 pm; Dec 10 (2.15 pm), 12, 13, 14 (2.15 pm)
● The Children's Hour: by Lillian Hellman, directed by Howard Davies at 7.30 pm; Dec 15, 16, 17 (2.15 pm)
Palladium Tel: (071) 484 5020
● Oliver: produced by Cameron Mackintosh, directed by Sam Mendes. Cast includes Jonathan Pryce, Sally Dexter and Miles Anderson at 7.30 pm; (Not Sun)
Strand Theatre Tel: (071) 930 8800
● The Prime of Miss Jean Brodie: by Muriel Spark, adapted by Jay Presson Allen, directed Alan Strachan. Miss B. played by Patricia Hodge at 7.45 pm; to Feb 25 (Not Sun)
Wyndham's Tel: (071) 369 1736
● Three Tall Women: by Edward Albee, directed by Anthony Page. With Maggie Smith, Frances de la Tour and Anastasia Hille at 8 pm; (Not Sun)

NEW YORK

GALLERIES
Brooklyn Museum Tel: (718) 638 5000
● Indian Miniature Paintings: 80 jewel-like paintings from the 15th-19th century; to Jan 8 (Not Mon)
Guggenheim
● The Italian Metamorphosis 1943-1968: a survey of visual arts in the postwar period; to Jan 22
Metropolitan
● Ann Hamilton: exhibition reveals the artist's interest in the relationship

between sight and touch; to Jan 3
● Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (Not Mon)
● Origins of Impressionism: 175 paintings by Parisian artists of the 1860's; to Jan 8 (Not Mon)
● Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums continuing interest in Eakins; to Feb 26
● William de Kooning's Paintings: to Jan 8 (Not Mon)
Museum of Modern Art Tel: (212) 708 9480
● A Century of Artists' Books: Exhibition of 140 books from some of this century's foremost artists; to Jan 24
● Cy Twombly: Comprehensive retrospective of the contemporary American artist; to Jan 10
Whitney Museum
● Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; from Dec 16 to Mar 12

OPERA/BALLET

Metropolitan Tel: (212) 362 6000
● Don Giovanni: by Mozart, sung in Italian at 8 pm; Dec 10, 16
● Lady Macbeth of Mtsensk: by Shostakovich at 8 pm; Dec 10 (1.30 pm)
● Madame Butterfly: by Puccini at 8 pm; Dec 14, 17
● Peter Grimes: by Britten. English at 8 pm; Dec 12, 15
● Rigoletto: by Verdi at 8 pm; Dec 13, 17
New York State Theater Tel: (212) 870 5570
● The Nutcracker: by Tchaikovsky, performed by the NY City Ballet. Tue-Thu 8pm. Fri 8 pm. Ring for other times and matinees; to Dec 31 (Not Mon)

THEATRE

Joseph Papp Public Theatre Tel: (212) 598 7150
● Simpatico: directed by Sam Shepard. Set in the world of thoroughbred horseracing, with Beverly D'Angelo, Marcia Gay Harden and Ed Harris at 8 pm; to Dec 11 (Not Mon)
Manhattan Theatre Club Tel: (212) 581 1212
● Love Valour Compassion: latest play by Terence McNally (of Kiss of the Spiderwoman fame), directed by Joe Mantello. Sun. performance at 7pm otherwise at 8 pm; to Jan 1 (Not Mon)
Minskoff Theatre Tel: (212) 307 4007
● Sunset Boulevard: directed by Billy Wilder, music by Andrew Lloyd Webber. Finally arrived in New York with Glenn Close playing Norma Desmond at 8 pm; (Not Mon)
Plymouth Theatre Tel: (212) 239 6200
● Passion: music and lyrics by Stephen Sondheim. Winner of four Tony awards at 8 pm; (Not Sun)
Promenade Theatre Tel: (212) 239 6200
● Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun. 3pm, otherwise at 8 pm; (Not Mon)
Shubert Theatre Tel: (212) 239 6200
● Crazy for You: by Kan Ludwig, directed by Mike Ockrent. Tony award winning musical loosely based on Gertrude's Girl Crazy at 8 pm; (Not Mon)
Vivian Beaumont Tel: (212) 239 6200
● Carousel: revival of the 1945 Rodgers and Hammerstein musical at 8 pm; (Not Mon)

PARIS

CONCERTS

Châtelet Tel: (1) 40 28 28 40
● Tokyo Quartet plays Beethoven at 8 pm; Dec 12
Champs Elysees Tel: (1) 47 23 37 21/47 20 08 24
● French National Orchestra: Jeffrey Tate conducts Beethoven Symphonies Nos. 2 and 3 at 8 pm; Dec 15, 17

GALLERIES

Grand Palais Tel: (1) 44 13 17 17
● Gustave Caillebotte: retrospective of the painter and patron of art who belonged to the circle of Impressionists; to Jan 9
● Fousier 400th anniversary retrospective; to Jan 2
Institut du Monde Arabe Tel: (1) 40 61 38 38
● Delacroix in Morocco: Delacroix's visit in 1832, when he was 34, made a lasting impression on his art; to Jan 15 (Not Mon)
Louvre Tel: (1) 42 60 39 25
● British Art in French Public Collections: pairings by Gainsborough, Reynolds, Constable, Lawrence and Turner. Closed Tue; to Dec 19
Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 81 27
● André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon)
Musée d'Orsay Tel: (1) 45 49 11 11
● Forgotten Treasures from Cairo: a rich collection of works by Ingres, Courbet, Monet, Rodin, Gauguin and others; to Jan 9 (Not Mon)

OPERA/BALLET

Champs Elysees Tel: (1) 47 23 37 21/47 20 08 24
● Khézi: by Rimsky-Korsakov. Director Valery Gergiev at 7.30 pm; Dec 10, 11
Opéra National de Paris, Bastille Tel: (1) 47 42 57 50
● Le Lac des Cygnes: by Tchaikovsky. Choreographed and produced by Rudolf Nouriev. Conducted by Valery Gergiev at 7.30 pm; to Dec 31 (Not Sun)

ROME

OPERA/BALLET
Teatro Dell'Opera Tel: (06) 481601
● Cronache Italiane: ballet in two parts based on work by Stendhal at 7 pm; Dec 14, 15

TURIN

OPERA/BALLET
Teatro Regio Tel: 011 8815 241
● Lo Sciacconotto: ballet in three parts by Tchaikovsky. Performed by the Kirov company. St Petersburg. Sun mat only at 3 pm; from Dec 19 to Dec 18 (Not Mon)

VIENNA

GALLERIES
Kunsthalle
● Oskar Schlemmer: a comprehensive survey of work by the Bauhaus artist. Closed Tue; to Jan 29

WASHINGTON

CONCERTS
Kennedy Centre Tel: (202) 457 4800
● An Evening of Opera and Chamber Music: Selections from a new opera and chamber music by Song Fu Yuan. With soprano Yan Yan Wang, tenor Robert Brubaker, bass Don Yule, the Carnegie Quartet and conductor Fy Soong at 7.30 pm; Dec 11
● Choral Arts Society of Washington: seasonal music conducted by Norman Scribner at 7 pm; Dec 11, 13
● National Symphony Orchestra: perform Handel's Messiah. With conductor Peter Bay, soprano Janice Chandler and mezzo-soprano Stephanie Blythe at 8.30 pm; Dec 16, 17
● Oratorio Society of Washington: more seasonal music conducted by Robert Shafer at 8.30 pm; Dec 11 (2.30 pm), 17 (5 pm)
● Paul Hill Chorale: conducts some seasonal favourites at 8.30 pm; Dec 10

GALLERIES

National Gallery Tel: (202) 737 4215
● Roy Lichtenstein: A survey spanning four decades of the American Pop artist; to Jan 8
Sedgwick Tel: (202) 357 2700
● Landscape as Culture: Lois Conner travels through Asia recording architecture and landscapes with her 100 year old banquet camera; to May 30

OPERA/BALLET

Kennedy Centre Tel: (202) 457 4800
● The Nutcracker: music by Tchaikovsky. Presented by the Joffrey Ballet, choreographed by Robert Joffrey. No show Dec. 12th, mats at 2pm otherwise at 8 pm; to Dec 17
● Passion: music and lyrics by Stephen Sondheim. Winner of four Tony awards at 8 pm; (Not Sun)
Promenade Theatre Tel: (212) 239 6200
● Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun. 3pm, otherwise at 8 pm; (Not Mon)
Shubert Theatre Tel: (212) 239 6200
● Crazy for You: by Kan Ludwig, directed by Mike Ockrent. Tony award winning musical loosely based on Gertrude's Girl Crazy at 8 pm; (Not Mon)
Vivian Beaumont Tel: (212) 239 6200
● Carousel: revival of the 1945 Rodgers and Hammerstein musical at 8 pm; (Not Mon)

THEATRE

Arena Stage Kreeger Theater Tel: (202) 554 9066
● Misalliance: by Bernard Shaw, directed by Kyle Donnelly; to Jan 8
Ford's Theatre Tel: (202) 347 4833
● A Christmas Carol: Charles Dickens' classic directed by David Bell

Gunsion II Tel: (703)

An Evening with Tom Stoppard: a series of three one act plays by the British playwright presented by the Washington Shakespeare Company at 8 pm; to Dec 17

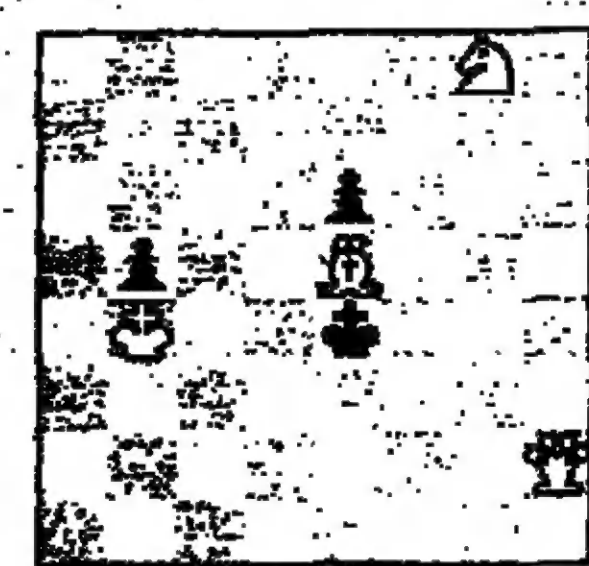
ZURICH

GALLERIES
Kunsthaus Zürich
● Degas-The Portraits: a major new exhibition on the portraits of Edgar

CHESS

Politicians and organisers like to arrange some heavy symbolism for a major chess event, and the Moscow Olympiad, the 121-nation team-event now just past half-way, has plenty of off-board kings and pawns.
In the 1992 olympiad, the Philippines refused visas to Yugoslavia, and the Serbs were expelled from the 1992 European championships by a captains' vote; but Yugoslavia are in Moscow, seeded close to Bosnia, under Fide regulations allowing certain countries not to be paired with them.
Then, the new allies Garry Kasparov and Fide's chief, Florencio Campomanes, met Juan Samaranch, president of the International Olympic Committee, who announced that "the confrontation in the chess family is over" and proposed chess as a demonstration sport at Atlanta 1996.
The Garry-Campo pact follows the raising of Kim by the world champion's supporters to bring the olympiad to Moscow, rumours that Intel, main backer of Kasparov's Professional Chess Association, has become dissatisfied, and rapid downgrading of Anatoly Karpov, the official Fide world champion. Karpov was invited to the annual opening - but his invitation was dated December 1, and the ceremony was on

November 30. Then, Karpov, a keen philatelist, was to launch an exhibition of chess stamps and coins, but was replaced by the Yugoslav ambassador, two symbolic acts in one.
Kasparov failed to appear for Russia in the first four rounds, then lost badly to a Bulgarian. Fragile England, holding six 2,500-plus grandmasters, lost to Kazakhstan, and drew with Scotland and Indonesia. Our players are still in contention, for all the top seeds have squandered points.
No 1993



White mates in three moves, against any defence (by C. Seabrook, 1988). Black has little material and few moves, but this is a stiff test of skill with queen and minor pieces.
Solution Page XX

Leonard Barden

BRIDGE

Today we have a bridge quiz.
The first correct solution opened will receive the Pro Bridge 510, kindly presented by Competence. The Specialists (020-82323 for details). The next 10 will receive copies of my Bridge Play Technique, published by Robert Hale.
In each case you are West with neither side vulnerable.

QUESTION 1

West deals:
W N E S

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 2

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 3

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 4

North deals:
N E S W

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 5

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 6

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 7

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 8

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 9

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 10

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 11

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 12

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 13

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 14

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 15

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

QUESTION 16

East deals:
E S W N

10 8 4 3; 9 5 4 2
What do you lead?

a. 1♠; b. 1NT; c. 2♥; d. 2NT

Michael Wigan

A nation warmed to take the cockle to its heart

Enjoy a bouillabaisse? You barbarian! What about the rights of the innocent cockles and mussels plucked from sand and rock, thrown mercilessly into boiling water, solely for the gastronomic satisfaction of humans?

This is the charge levelled against shellfish eaters by Animal Concern, a vegetarian organisation that recently petitioned William Waldegrave, the agriculture minister, to outlaw all types of shell fishing.

Britain is showing every sign of becoming the most animal-loony nation in the world. The Jains of India sweep the path before them, and wear cloths over their mouths, lest they inadvertently harm insects. But they are an extreme religious sect; and live for the

glory of God. Care for animals in Britain is taken to extremes by a vociferous fringe who discredit those whose concern for animals is reasonable and genuine.

Hunt saboteurs in their doom-day garb fail to convey the impression of having a deep regard for animals, or the countryside.

Peculiar public reactions followed the latest death of a keeper, mauled in John Aspinall's zoo. Animal "experts" were summoned to examine the offending Siberian tiger, and pronounced it "not wicked".

But how could the world's most powerful terrestrial carnivore be wicked if, frustrated by incarceration, it occasionally wanted a dietary change? The public reproaches heaped on this animal would not have been applauded by the deceased keeper; he had made a

fact that the animal should not be punished if he were mauled.

We have a contradictory attitude to wildness in animals. We crave to see it, touch it, but we simultaneously veer in the direction of sanitising it.

So people increasingly keep dangerous animals such as cross-bred wolf-husky dogs as pets and then are surprised when, as happened recently, one attacks its owner's child. What we want on the fire-side rug is a reminder of the animals we are banishing at an alarming rate from the great outdoors.

Britain is one of the world's most urban societies, and its inhabitants are also great lovers of animals. This is no accident. People feel the need to reconnect with the unpredictable, mysterious, non-neurotic world of nature and wildlife.

This repressed nostalgia for wild environments has surfaced conspicuously in the cries for a restored Great Caledonian Forest in the Cairngorms. Enthusiasts talk wildly about bears, wolves, even genetically-recreated aurochs, or aboriginal cattle, which will roam together. The forest will be shady, capercaillies gliding between the great pines; humans will play a part as mushroom-gatherers harvesting the fruits of the forest floor. The appeal of this lost world moves modern man who has to make do with the cat on the mat.

But alienation from real processes in the animal world is almost complete. Gross overstocking of Canada geese in the London parks produced a communal whinging of hands, but confusion about a sensible culling policy. Shooting the surplus birds, which were making

ing mud-pie of the lakesides, was held to be cruel, even though dispatch by a rifle shot is far kinder than the fate which awaits most animals in the wild.

Similarly, public anxiety about the rate at which native British red squirrels were being displaced by "foreign" grey squirrels led to an effective system of trapping the greys. But now people are worrying about what happens to the unfortunate grey squirrels that fall into the traps. They are killed of course. What else? Culling deer in public parks was highly unpopular until superannuated browsers started grazing on people's garden shrubs.

Our society tries to eliminate cruelty but, through lack of understanding, creates more. Cruelty to animals is the prolongation of pain, not the swift taking of life.

A bus and cry arose recently about the transport of farm animals to overseas slaughterhouses. Yet the closure of hundreds of abattoirs in Britain because of trivial hygiene failures and over-cautious EC sanitation rules has increased the transport of farm animals. At the same time on-farm slaughter, unless performed by an expensive vet, has been outlawed.

Traditionally, farmers killed their own livestock for eating. The sheep was led into the barn, and its nose got deep into the corn before the farmer, who may have assisted in its birth as a lamb, approached with the stn-gun and killed it instantly.

Now, by EC law, a sheep must be herded into a truck, driven perhaps 100 miles to a slaughterhouse, pushed down the ramp into the odour of blood and death, and

fixed on to some ghastly assembly-line for the final meeting with powerful electric nodes.

In the name of welfare, we have legislated for something far worse, which costs more.

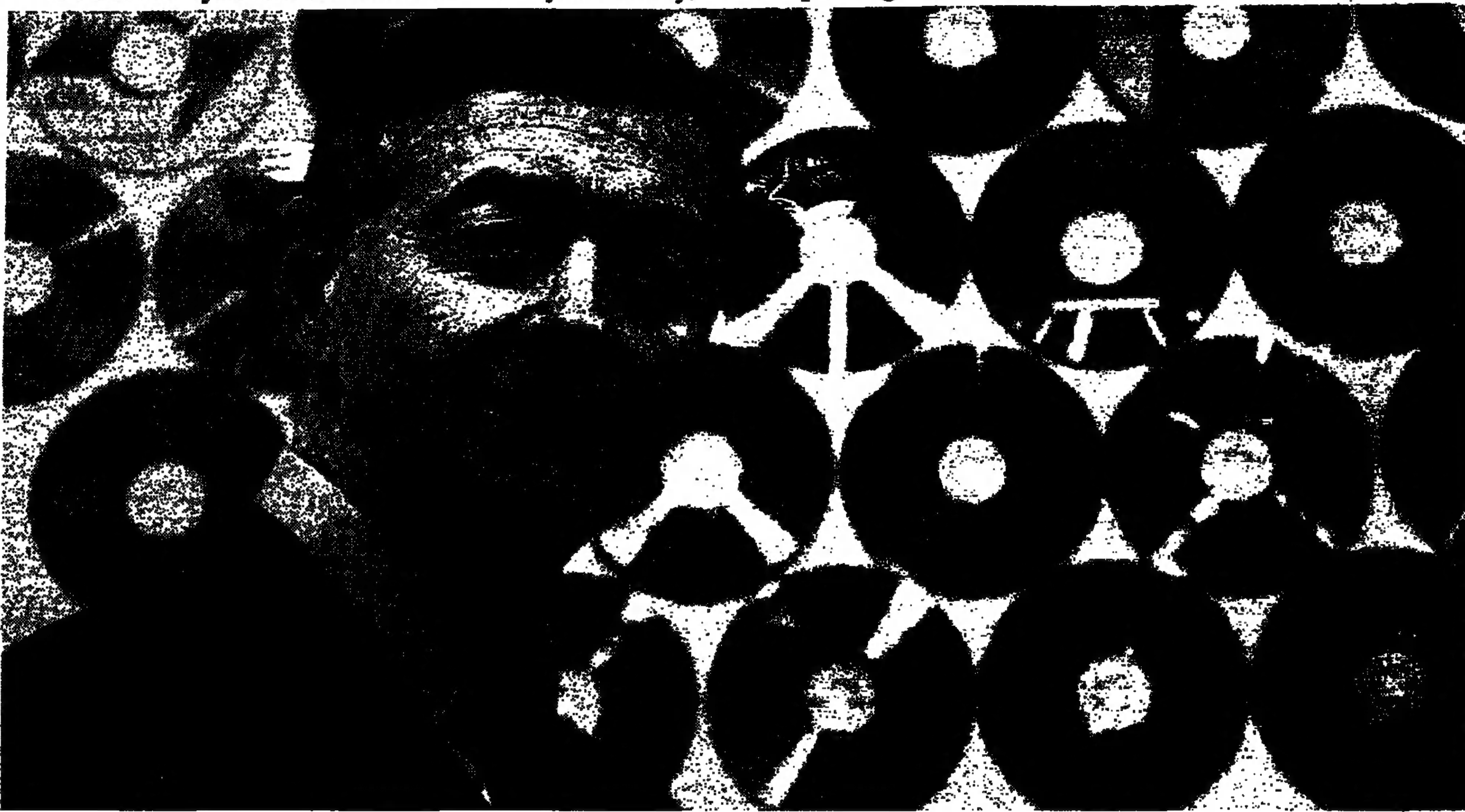
The call of the wild is in us all. The hunter-gatherer instinct is also a strong one. On Britain's summer shore at low tide hundreds of people pick, rake, and probe for things to put in the bouillabaisse. The whole family goes. It is neither unecological nor unsustainable. The scene was the same hundreds of years ago.

The idea that to pull a "wheel" from its rock is cruel would be regarded in France with incredulity. Such a perversion of values could happen only in Britain. The nation of great animal lovers no longer dares to reason against its sentimentalism.

Private View

A modern-day Caxton

Christian Tyler meets Charles Chadwyck-Healey, who is putting the world's literature on to compact disc



Anthony Johnson

Five hundred years after the invention of the printing press, the second publishing revolution is being ushered in by rows of patient typists in Asia.

Much like the monks who sat on their high stools in medieval scriptoria laboriously copying manuscripts, these workers are transferring the world's literary heritage on to computers for publication on magnetic tape or compact disc.

Unlike the monks, they have little understanding of the words they type. But they are being paid piece-rate - so many cents per thousand words - by the entrepreneurs of the electronic revolution.

One such is Sir Charles Chadwyck-Healey, an English baronet, who is employing a Filipino contractor to have 100 scribes knock out the collected works of Goethe - plus footnotes - from the old Gothic script. Other Filipinos are retyping millions of words of faded Latin and Greek for a database of the complete writings of the early Church Fathers.

"They guarantee us accuracy better than 99.9985 per cent," said Sir Charles. "We don't care how it's done: all we care about is the rate per thousand. If it's a viable rate, then good luck to them!"

Forget the title and the double-barrelled moniker for a moment. Forget the Eton and Oxford education. This is no languid aristocrat, but a hard-headed buccaneer in the academic publishing market. Based in Cambridge and still expanding, his company has subsidiaries in Paris, Madrid and Alexandria, Virginia.

Chadwyck-Healey sprang to public notice two years ago when, in partnership with the Hoover Institution, he clinched a contract to distribute on microfilm the huge archive of the former Soviet Communist Party and state. Earlier this year he completed a four-CD collection of all the published English poets from Saxon times to 1900 (price £25,000).

I asked him whether book-publishing had had its day.

"No, it certainly hasn't," he said. "The book will continue for ever as far as I am concerned. What's happening is that something else is growing - and growing very fast."

"What we're experiencing here is very much what the early printers experienced. Caxton didn't say: 'Oh, my God, I must commission some authors to write books.' He took existing manuscripts and transcribed them into print."

"In fact many scriptoria took Caxton's printed books and copied them from them because they were so much easier to read. And most of the early printers went bust because they got it wrong. They hadn't got the marketing right. They hadn't got the market out there. This will happen to many electronic publishers."

Although traditional publishers seemed frightened of the future, he said, books would never die out because they are for many purposes (reading, for instance) an efficient way of storing information. "And we have a couple of thousand years of indoctrination into being comfortable with books."

"Though," he added, "I suppose sociologists would say I might be comfortable with books, being educated at Eton and Oxford, but actually 80 per cent of the people in the world are extremely uncomfortable with them."

The fifth baronet ("I thought the title might get in the way, but it hasn't") studied science at school and geography at university, where, he said, he was lucky to get a Third. He liked fast cars and still does. His first job was as a photographer on a travel magazine called *Go*, and his first enterprise was running a pair of trendy shops called *Abacus*.

"Then I spent six months writing three television plays. I thought I could do one a month and make a living. But

it put me off writing as a profession: it was too demanding and isolated."

The Chadwyck-Healey family had publishing interests but Sir Charles followed his own nose. By 1972 he was ready to start up on his own in the microfilm business, an ungainly medium which is almost universally disliked. By the end of the 1980s he was ready to go electronic, and today this is 80 per cent of his business.

Most of the company's list consists of dry-as-dust bibliographies, indexes and catalogues. More accessible, though still scholarly, are ventures such as the *Weimar edition of Goethe* now under way (£3,000 for the equivalent of 142 volumes) and an upcoming *Voltaire Electronic* for the Voltaire Foundation.

Alongside the *Patrologia Latina* of the Church Fathers (£27,000 the set) he is bringing out *English Verse Drama* (plays from 600AD to 1900), the Bible in its main English versions and the prime editions of

Shakespeare. "Since we're at the beginning of all this, my motto is, let's occupy the high ground. Let's not get bogged down too much in some of the specialities."

Sir Charles has contracts to publish back numbers of the *York's aunt*, when in fact she is Fergie's cousin. I asked Sir Charles if his was a literary venture or just a library service.

"It's as creative as any publishing - in some ways more so," he said. "Publishers wait for an author to come to them with a manuscript and the amount of editing that gets done is fairly minimal. To me the only really creative person is the author."

You obviously don't like publishers much.

"I like publishers very much, but I've never felt part of the publishing establishment or been regarded as part. It's understandable. Our publications are virtually invisible. They haven't got the impact of a beautiful book - which is why we make so much effort with our brochures."

Conventional publishers tended to recoil with horror at the electronic medium because they could not understand the market, the high price of the product or the long timescales involved.

Bookshops are however starting to retail CDs of dictionaries, encyclopaedias and science for children, at between £50 and £80 a time. Sir Charles said he was not interested in the consumer market.

"But we might, for example, license a publisher to put love poems on a CD-Rom from our database, colour the CD pink and sell it in a kind of Valentine's package."

"I wouldn't attempt to do that myself because I have no feel for that kind of market. I often think that selling these databases is a bit like selling an expensive Mercedes or something: you negotiate, you discuss, the months roll by and suddenly an order appears."

Among Chadwyck-Healey's institutional customers, however, things are changing quickly. CDs are already going the way of microfilm and the "virtual library" is round the corner.

To save space (even CDs take up room), smaller libraries are either asking for the right to take words down the telephone

line from a central institution as they need them - the company has already negotiated one such arrangement in the US - or even to be fed directly from Chadwyck-Healey's own headquarters.

This raises the difficult question how far an electronic publisher can license onward

transmission of his "books" without losing large amounts of revenue and cutting his own commercial throat.

Pirating of electronic databases is too easy, Sir Charles said, and he is afraid that a forthcoming European Union directive on copyright protection will be much too weak.

At the same time he is trying - and so far failing - to negotiate with publishers and other copyright holders for permission to bring out electronic editions of modern literature.

"Our view is that you can print out of our databases until you're blue in the face. As far as individuals are concerned, we really encourage that. You can go to a library which has our *English Poetry* and download all of Tennyson. If you like."

"What we don't want is someone setting up as an electronic publisher, stealing half our database and undercutting us because he hasn't had our big production costs."

Of course you expect your return, I said. But won't others see electronic material as common property? If you're ripped off will they shed any tears?

"I don't expect anyone to shed any tears. We can fight our own battles. But if we invest a lot of money in solving the books, deciding on the editions, coding them with this very complex coding, then I think we have a proprietary right to the data we have created in its electronic form."

I am a relatively unselfish person. We want to move on all the time. If it turns out in two years that creation of full texts becomes pointless, we'll just stop and do something else."

What if all these texts end up under one roof, with people like you free to charge us what you like for consulting them?

"At the end of the day anybody can do what we're doing. It's not as if we're buying rights from Goethe's heirs so as to shut Goethe off from the rest of the world for evermore."

"We're creating our own edition. If somebody doesn't want to use it, they're free to create their own."

"Or they can just go on reading it out of a book."

Goodbye, Ker!

SEIKO KINETIC

The time is now.

For more information please call 0628 481271

As They Say in Europe/James Morgan

When in Rome, do as the Muscovites

Russia and Italy can get muddled up. Doesn't Berlusconi remind you just a bit of Yeltsin? "If irreconcilable positions of the two sides prevail and the legislature does not find a common language with the government on the 1995 budget, such a situation may well again raise the question of a no-confidence vote in the government." Not *La Stampa*, but a comment in the Moscow paper, *Russkies Vesti*.

It is, perhaps, the result of reporting on a society where tumult rules and change often seems revolutionary. It also provides journalistic novelties. *Nezavisimaya Gazeta*, one of the better Moscow dailies, ran a page of photos, without comment, entitled "Russian woman in an era of reform". Beggars, harlots, businesswomen and the super-rich - the pictures all authentically Muscovite.

Today, Russia comes alive in the press - it never did in the old days. New newspapers spring up, some, like *Sveed*, are very good.

It's not only the news that is exciting. There are tempting advertisements for share offers of the kind kiltjov governments have eliminated in richer lands. "Tomorrow will be better," one is headed.

The Russian Food Bank is offering \$25m (£15.2m) in shares "of the highest category of reliability". These will provide the investor with a "stable foreign exchange income". The whole is illustrated with a nice picture of the Kremlin: one is transported back to those days when investing was fun, unencumbered by dreary regulations, and able to proclaim guaranteed high incomes from totally safe projects.

The free-wheeling financial services sector overlaps with another sign of the times.

"Crime has spread to just about all the branches of the national economy and the budget. It accompanies all the directions of economic reform," said an interior ministry official, Viktor Salganov, in the daily, *Trud*. Salganov is head of a department that struggles against economic crime. He concludes by arguing, presumably in the face of a sceptical readership: "The crime wave can be stopped only with the help of the law."

It is curious that his remark was made as the UN conference on organised international crime in Naples got under way nearly two weeks ago. It was there that the Russian interior minister, Viktor Yerin, said a "cold war" style scare over the Russian mafia was being whipped up to isolate the country and harm its economy. But that cuts little ice back home.

How can it, when one reads among the trivia of everyday life the discovery of "a secret arms dump" in Moscow? The papers reported how a railway bridge in Moscow was blown up a few days ago. An anonymous caller told the police of a "mobile ammunition dump". The caller said: "You will find it in Spartak Street, near the fence with a sign that reads 'Alice Trailers'. A ZIL-131 truck is there and the key is under the left wheel." A random, pointless tale of daily life in Moscow.

When Russian newspapers are not dealing with the harsh realities of everyday existence, everything changes. They have always been good on what might be called culture. Artistic life is important because the present period of gigantic change has made reclaiming the nation's heritage one of the most explosive issues in an already highly charged society. If it is captured by the nation-

alist right we could all be in trouble.

There is a battle going on for control of the country's media, particularly television. Parliament wants less government control, and the allocation of subsidies to be made the responsibility of a non-government body. President Yeltsin disagrees and wants to increase his influence over television by merging the two main channels.

With news like this it is not surprising that Italy comes to mind. For sure, the Russian and the Italian crises are more than a little different but you would not know it if your knowledge came only from the newspapers of the countries concerned. Compare Berlusconi with Yeltsin; the impasse over the budget and who should control the broadcast media; the ubiquity of organised crime and the vibrancy of the nation's culture.

But Italy is rich (for the time being at least) and Russia is more than poor. It is mired in poverty and struggling with unimaginable problems as whole sectors of the economy, and indeed of the country, seem to face terminal collapse.

New countries have suddenly raised themselves to levels of wealth and development that leave Russia far behind. But nobody could spend more than five minutes reading the newspapers of most of these dynamic lands.

The concept of the all-conquering emerging market is one before which the whole developed world routinely genuflects today. But one forgets how desperately boring those places can be. Highly developed poverty may not be worth aiming for, but it makes one think.

James Morgan is economics correspondent of the BBC World Service.

150 من الاصل